THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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AN UPHEAVAL AT OTTAWA AVERTED BY SIR ROBERT

Premier Alters His Decision to Resign From Office

FUTURE OF UNIONISM

Many Cross Currents in the Political Stream — Business Interests Glad to See Sir Robert Change Decision

By Resident Representative

OTTAWA.—That one never knows what may happen in politics these days has again been conclusively demonstrated by Sir Robert Borden's action in the matter of his retirement. At the middle of last week he consulted the best specialists he could get, and they told him that if he did not relinquish practically at once the duties of the Premiership, he would probably suffer a complete collapse. His own doctor joined in this opinion. Forthwith Sir Robert called his colleagues together, told them of his condition and announced that he intended to resign early in January. There is no doubt that he meant it, and no later than Tuesday of this week he conveyed this information to intimate friends outside the Cabinet.

But the course of men in public life is not always shaped by their own actions. More than any other class, they are the creatures of circumstances; and Sir Robert Borden is no exception to the rule. He had definitely decided to retire, but a number of his colleagues, together with many of his strong followers distant from Ottawa, came to the conclusion that the country and his followers could not afford to lose him just now, and so they brought the strongest possible pressure to bear on him, with the result that he has decided to remain in office, in the meantime taking a long holiday.

The truth is that the announcement of Sir Robert's early retirement came like a thunderclap, both in the capital and the country. Rumors to the effect that he would do so had been circulating around Parliament Hill for some time, but had been discounted. Those who recalled how often Sir Wilfrid Laurier's retirement through ill-health had been predicted, were inclined to discount the reports about Sir Robert, and especially so when he returned from the South. The fact is that he has been in a much worse state of health than either he or the public imagined; and when the doctors gave their opinion, both Sir Robert and his colleagues got a rude awakening.

Would Like to Drop Out

There is a well-defined impression that in his heart, desiring to be relieved of his duties, because the war being over he felt his work was really done, Sir Robert was not loth to take the advice of his medical advisers. Ordinarily, duty would have kept him at his post for some time; but having made considerable sacrifices, he undoubtedly thought that the limit had been reached. But the Prime Minister is always solicitous for the welfare of his friends and feeling that he owed much to a number of former Liberals, who had taken their political lives in their hands when they entered Union Government, he deferred greatly to their views when they urged that he reconsider his intention of retiring. Hence the announcement of Thursday evening.

There is no doubt that had the Prime Minister adhered to his previously expressed intention it would have precipitated a political upheaval of a startling character. It is very probable that if he had gone out, Union Government would have gone too. At best, it will be difficult to perpetuate its existence in a permanent way, and at present there does not seem to be anyone in sight who could do so. In so far as Unionism is concerned, it is another example of "After me the deluge," a statement credited to Sir John Macdonald. Sir Robert Borden has occupied such an outstanding place in the Government that it would be difficult for

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HYDRO'S OFFER FOR DOMINION POWER

Some time ago in a public address, Sir Adam Beck hinted at negotiations by which the Hydro-Electric Commission might secure control of the Dominion Power & Transmission Company, of Hamilton. It is rumored that the Hydro has been negotiating for some time back and it is understood that the price mentioned for the common stock, of which $7,714,500 is outstanding, is par, payment to be made in Hydro-Electric bonds. Of the preferred stock $3,681,100 is outstanding and some $8,000,000 in bonds.

LITTLE DANGER OF IMPORTANT TARIFF CHANGES

New Minister of Finance Faces Problems of Getting Revenue

Sir Henry Drayton Follows Course of Sir Thomas White

By Resident Correspondent.

OTTAWA.—That there is very little real danger of the tariff being seriously interfered with just now is plainly intimated in Sir Henry Drayton's recent statement on the subject of revision. To assure the public that the work of inquiry would be started by inviting it to send in written opinions as to what should be done certainly did not indicate that strenuous action was in prospect.

Sir Henry's statement shows that he sees just as many obstacles in the way of reduction as Sir Thomas White did last June. Indeed, as far as the exchange situation goes, matters are much worse than they then were. In addition the Minister of Finance has been in office long enough to realize that the problem of raising the necessary revenue is becoming more difficult. It is so if for no other reason than that expenditure took quite a leap after Sir Thomas White delivered his budget speech.

In the meantime the much-assailed tariff is gathering in revenue at a much more rapid rate than it did last year, and that, in spite of the fact that considerable reductions were made in the duties last session. During the first eight months of the present fiscal year $7,000,000 more were collected in customs' duties than was the case during the same period last year.

Being comparatively prosperous, people are buying far more heavily of dutiable goods than they were a year ago. During the last eight months the importations of free goods have fallen $57,000,000 below those for the same period last year, while the importations of dutiable goods have gone up nearly $60,000,000. Sir Thomas White estimated that this year's customs revenue would come in at the rate of $12,000,000 a month, but, so far the receipts have been at the rate of over $14,000,000 monthly. Such a showing is unlikely to make the tariff unpopular with a Finance Minister hard pressed for revenue.

CO-OPERATION MUST REPLACE COMPETITION

George W. Perkins Outlines Needs of an Uneasy World

A new spirit of co-operation must take the place of the old customs of competition if a real solution of the various phases of unrest disturbing the world to-day is to be found. There must be co-operation between educational insitutions and industrial institutions. These statements were made in New York recently by George W. Perkins. Mr. Perkins, after rising from the rank of office boy to be the head of the New York Life, a partner of J. P. Morgan and chairman of the Executive Committee of the United States Steel Corporation, retired from active business life at forty years of age and gave himself up to public affairs in general, and the study of profit-sharing and industrial benefit schemes in particular. The sentiment above epitomizes the results of his study.

"Competition at one time may have been the life of trade, but it certainly was the death of manhood, the curse of womanhood and the wrecker of childhood," said Mr. Perkins.

WILL SHARE NET EARNINGS WITH HIS EMPLOYEES

Advanced Profit - Sharing Scheme of T. J. Storey, Brockville

TO RETAIN LABOR

Argument for Scheme is That Training of New Employees is a Serious Loss—Result of Long Experience

That each employer's relations with his employees is his own problem is the basis upon which T. J. Storey, president of the International Metal Works, Limited, Brockville, is approaching the present industrial problem. The result is the announcement of a practical profit-sharing scheme by which the workers will periodically share in the surplus of earnings after provision has been made for a return to capital, etc. On the basis of last year's operations the scheme would mean a return to each employee of about $300. In outlining his plan to THE FINANCIAL POST, Mr. Storey says that it has been adopted "not by any pressure brought by the staff of this company, but as the result of study of all the different plans that we could find for solving this problem." He urges other employers to study it, believing that it presents a practical solution to the present industrial unrest.

Mr. Storey states that he has been an employer for a great many years and has never had any labor trouble. His relations with labor are on a large scale, as he is not only head of the International Metal Works, but also president of the Canada Carriage Company, vice-president Carriage Factories, Ltd., vice-president Ontario Wheel Company, vice-president Coleman Baking Powder Company, and a director of the Port Arthur Wagon Company. Mr. Storey's plan is thus briefly outlined by himself:

If at the end of the year we have any profits we first set aside ten per cent. for depreciation. Secondly we pay a minimum of seven and a maximum of ten per cent. on the capital invested and then we set aside twenty-five per cent. as a rest account to provide for losses or unforeseen expenses. The balance we divide on a fifty-fifty basis between capital and labor. At the end of five years if there is anything left in the sinking fund, we make a fifty-fifty division between the men who have been in the employ of the company for three, four and five years. This is divided into twelve or twenty-four payments according to the way we pay and the men receive a pro-rata percentage on their earnings with each pay during the year. There is no set scale of wages as we pay the market price for labor and we do not propose to take from profits for extension, but to provide extra capital as required, by selling stock and to give the men the first opportunity to buy.

Continuity in Labor

One of the important benefits to the company, according to Mr. Storey, is that it will have a tendency to keep the employees with the company as no one will be permitted to share in the first division who has not been in the employ of the company for one year. "Change of men is one of the greatest leaks in the manufacturing business," says Mr. Storey, who adds that his employees will not only receive a dividend for the first year, but they will have another one ahead of them at the end of five years. As to the economical relations of capital, labor and management, Mr. Storey adds:

As I look at it there are three interests—Capital—which is no good to anyone unless it is being used. Labor without capital is absolutely useless. Management comes in and brings the two together and the labor gets its pay monthtly while capital waits until the end of the year. If it has been successful we naturally suppose there is a balance left which is called profit. I claim that capital is just as helpless without labor as labor is without capital. Consequently each is entitled to an equal division of the surplus and this is what we have instituted and we are not doing it from any philanthropic standpoint, but one in which we believe will yield better results, where any man is working for himself in his own interests and it works out a co-operative plan which I believe is far in excess of any of the plans suggested by paying a man for extra work. I look at that as being a goad to force a man uphill and does not help the co-operative spirit but rather tends to create a feeling of unrest.

The directors of the Dominion Bridge Company, at a meeting this week, elected F. W. Molson as a member of the Board.

International Morals

WASHINGTON.—There is far more in the retirement of Viscount Grey than appears on the surface. The actual fact is that he is going because there is nothing for him to do. He has not seen the President, and the relations are more or less strained. There are two reasons for this—a suspicion that the relations between Grey and the majority leaders in the Senate—which represents the majority vote of the United States—have become more friendly than the President and his immediate advisers would like, and the Ambassador and Senator Lodge have been intimate friends for many years. The other difference is over the refusal of Viscount Grey to dismiss one of his staff.

Very soon after his arrival, Viscount Grey received a semi-official request to send this man home. He at once asked for an explanation. He was told that such explanations were not usual. He replied that this was no doubt true in the case of an Ambassador but not in the case of a member of his staff. The Ambassador insisted he should know. The explanation has not been forthcoming. Nor is it likely to be.

It relates to war-time activities and the influence played by clever women in international affairs then and right down to the days of the Peace Conference, and since. For a long time there was a serious leak of British information of the most important matters, and every effort was made to trace it. It puzzled our best Intelligence men to know how the Germans knew so promptly of certain important transactions of the Allies on this side. Finally this young man—who, during a former stay on this side, visited Toronto, Ottawa and Montreal, and is well known in official circles, grew suspicious of a certain attractive young woman, well known in Washington and New York society. He told his story to the U.S. military authorities. They installed a dictaphone in her drawing room. One of her callers was a man who was in a position to know. While drinking tea on his various visits he retailed all the latest gossip—not for a moment suspecting his hostess. A few hours later the details were intercepted on their way to Germany.

Perhaps he cannot be blamed for his lack of caution, for one of her business partners was so popular in Canada that in 1915-16 he was, more than once, the week-end guest of Their Royal Highnesses at Government House, Ottawa. He did not complete his last visit. He did not even say good-bye to the Duke of Connaught. He had been recognized and he and his valet and belongings were bundled into a cab on short notice.

The dictaphone record of this Washington conversation was passed, it is charged, to Ex-President Roosevelt by this British attaché. The story then soon got out, and as it involved a prominent personage the British attaché was not forgiven. Hence the request for his retirement.

It is very important that Canadians should understand the United States situation that they may not be led to adopt the attitude of Hon. Mr. Rowell, one of the chief spokesmen of the Canadian Cabinet, when, in his recent address at Toronto, on the International Labor Congress, he wound up with a criticism of the Americans for failing to promptly ratify the Peace Treaty, and showed that Canadians were thus entitled to boast of a higher standard of morals—to be the moral leaders of the continent.

There are two great factions in the United States, one represented by President Wilson and his friends, the other by the late President Roosevelt, Senator Lodge and others. Back of President Wilson, at the outset of the war, were all the German-Austrians, and all the anti-British elements in the U.S., representing, it is variously estimated, thirty to forty per cent. of the voters. Led by Roosevelt, the pro-Allies developed the propaganda which brought the U.S. into the war, and later opposed the Peace Treaty which, they pointed out, was entirely one-sided in that it was made by Mr. Wilson personally, without any reference to the majority interests in the U.S. More than that, they notified the British and French that President Wilson was conducting negotiations without consultation with the majority interests in the United States, that as his views were opposed to theirs they, therefore, could not be committed to them.

Hon. Mr. Rowell, in his speech, through a misunderstanding of the situation, throws his support to the minority at Washington who are not over friendly to the development of better Canadian-American relations. As has been frequently pointed out in THE POST, the material future of Canada is more dependent upon the U.S. than upon any other factor. We Canadians need them to help us bear our war burdens. We need their money. We need their experienced business men to cross over and develop our natural resources. We need their farmers to settle our vacant lands. They are enthusiastic about Canada and Canadians, first because of the reputation our men made in the war; and next, because hundreds of thousands of their men from all ranks of life, from all sections of their country, met our men overseas, and found them the only congenial friends among the Allies.

They are ready to-day to come with their millions to help us build up Canada, share our war burdens and become loyal Canadian subjects—if we let them. But the millions will not come if we misunderstand them and treat them with the misunderstanding that Mr. Rowell, quite innocently, advises.

THE UNITED FARMERS ASK PARLIAMENT TO GO SLOW IN REGARD TO HYDRO RADIALS

Backers of the Government Are Evidently Alarmed at Proposals to Spend Hundreds of Millions on Additional Rail Transportation Facilities

There are indications that the new Ontario Government will not plunge recklessly into the Hydo-Radial projects of Sir Adam Beck. Business men who appreciate the whole situation and the menace to public finances of the Province wil continue to urge with THE FINANCIAL POST that the Government appoint a commission of independent engineering and financial experts to make a general inquiry before schemes involving further hundreds of millions are started. Such a course would be warranted by the resolution passed by the convention of the United Farmers of Ontario asking the Legislature to "go slowly in the matter" of Hydro Radials. This should be an important influence on the policy of Premier Drury.

So far as Mr. Drury himself and the Hydro are concerned, the new head of the Government is displaying caution. Of course it should not be forgotten that the Premier must pay some attention to politics and that the Hydro machine is a very powerful one. At the same time, while agreeing with the idea and principles of public ownership, he is not showing that disposition to go the whole hog which Sir Adam would like. He avoids definite promises and qualifies his endorsation by saying that the projects must be kept within financial bounds to be set by the resources of the Province.

In fact it would seem that there is a significant connection between the position which Mr. Drury has taken and the resolution of the U. F. O. convention—the latter reads more like an endorsation than a suggestion.

THE TAXES ON JOHN D.

NEW YORK.—An estimated value of $1,000,000 is placed upon John D. Rockfeller's furniture, jewellery, "horses and carriages," and other personal effects in New York, in an itemized statement which his attorney presented in protest against the New York tax assessment of $5,000,000. His application for a reduction of $2,000,000 was granted.

PROHIBIT IMPORT OF ALL LUXURIES TO AID EXCHANGE

Suggestion Offered at Montreal Meeting by C. H. Cahan, K.C.

N.Y. EXPECTS WHEAT

No Trouble With Exchange in the Past Owing to Trade Balances With England and the U.S.A.

Complete prohibition of the importation of luxuries from the United States was suggested by C. H. Cahan, K.C., in an address in Montreal this week, as one way to correct the discount on Canadian funds in the U. S. Mr. Cahan's was only one of the contributions to the subject this week; the exchange problem has been uppermost in the minds of many serious-thinking Canadians since Canadian funds fell off in New York two weeks ago.

Canadian business men have done more hard thinking about the question of the exchange during the past two weeks than they ever did before. Probably the problem has never so acutely touched Canada before. When New York funds went to 10 per cent., and even 11 per cent., this country, dependent on the United States for vast supplies of raw material, and importing from the United States even greater quantities of goods that could hardly be classed as essential, realized that when one nation imports more goods from another nation than it exports to that nation, it must pay well for the difference.

Canadians are amateurs in exchange. Before the war the question seldom arose to bother manufacturers and distributors. Our Canadian funds were accepted quite freely in the United States, and American funds were only worth their face value in Canada. All favorable or unfavorable trade balances were adjusted through other nations, France and Great Britain notably. But these other channels of readjustment have been closed to us, as will be seen later. Canadians have continued to buy heavily from the United States without increasing our exports sufficiently to pay for the goods we have been buying, and the result has been the gradually rising premium on New York funds, which from between 1 to 2 per cent. for the first few months in the year has been rising gradually since July—a date that follows quite closely the British Government's final determination to remove all "props" from sterling in New York.

The recent violent drop in Mont-

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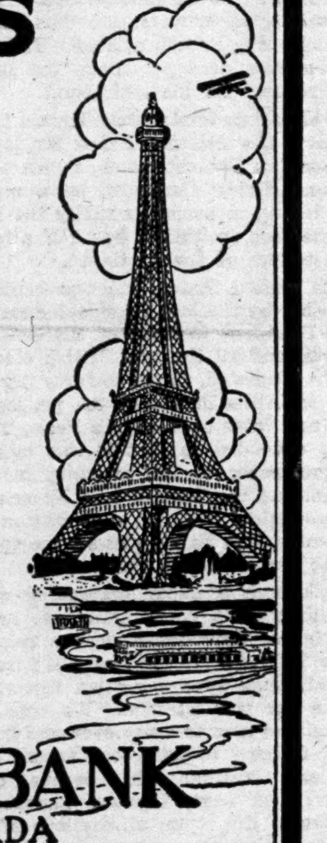

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CIRCULATION HAS GONE FAR AHEAD OF GOLD RESERVE

If American System Were Applied Deficiency Would Be $170,000,000

INCREASES PRICES

Dilution of Canadian Government Note Issues is a Problem That Demands Attention of Government

By C. H. CAHAN, K.C.,
In a letter to THE FINANCIAL POST.

On Saturday last the Canadian Press contained a statement by the new Minister of Finance, in which he is reported as saying:

"It is true there has been inflation in Canada. There has been inflation everywhere, but presumably the inflation in Canada has been less than anywhere. And, notwithstanding what has taken place, Canadian currency is in a very excellent condition. The situation to-day is that the gold reserve against our total currency note issue is over 47 per cent. That this is a high and satisfactory reserve is evident from the fact that the gold reserve called for by the Federal Reserve System in the United States is only forty per cent."

It is true that the Statutes creating the Federal Reserve System of the United States enact that each Federal Reserve bank must maintain a minimum legal reserve of gold equal to 40 per cent. of its outstanding federal reserve notes. As a matter of fact this minimum has never yet been reached. These federal reserve notes are the circulating medium of the national and state banks which are members of the federal reserve system. These notes are obligations of the United States Government, and they are a "first and paramount lien on all the assets" of the issuing federal reserve banks. They also have back of them, specifically pledged with the federal reserve agent, gold and gold certificates to the amount of at least 40 per cent., and for the balance, high-grade collateral, consisting of negotiable paper endorsed or accepted by member banks. Federal Reserve notes, though redeemable in gold on demand at the office of the United States Treasury, cannot be paid out by any other Federal Reserve bank than the bank of issue, and they are not legal tender to the same extent as are Dominion notes. Moreover, Federal Reserve notes cannot be held by any national or state bank as the equivalent of a gold reserve. Therefore, to hold Federal Reserve notes as the equivalent, in United States currency, of Dominion note issues in our Canadian currency, involves many serious fallacies.

The Dominion Government note issues perform in Canada two separate and distinct functions: Firstly, they provide a fiduciary currency circulating with the public, of which, according to the latest returns, $30,000,000 is held by the public. Secondly, the Dominion note issues, of which $281,000,000 were held by the chartered banks, constitute a considerable portion of the gold reserves of the chartered banks, and perform in Canada the same function as the United States gold certificates which represent, dollar for dollar, gold actually held in the United States Treasury.

If the chartered banks of Canada desire to issue an excess of notes, they deposit in the Central Gold Reserves at Ottawa, gold to represent the excess, or, what should be the equivalent of gold, Dominion Government notes.

If the Canadian Goverment reserves of gold are to perform the same two functions in Canada which the gold reserves of the United States Government and of the Federal Reserve banks of the United States now perform, then the necessary Canadian Government gold reserves should be reckoned as follows:

Gold Reserve	
Fiduciary Gov. Currency: $30,600,000 gold reserve of 40%	$ 12,240,000
Dominion notes, representing gold specie, held by Banks as the basis of chartered bank reserves and note issue	281,000,000
Total gold required under United States System	$293,240.000
Gold actually held by Dominion Government for redemption of Dominion notes	122,633,554
Deficiency	$170,606,446

There is probably no need to adopt in Canada the same rigid gold basis as prevails in the United States. But the fact remains that, since July, 1914, the Dominion Government has increased its note issues by $197,500,000 and its gold reserves by only $24,500,000, and this disparity is in part responsible for the present depreciation in the Canadian dollar in the foreign as well as in the domestic markets.

If the Dominion Government gold reserves were on a proper basis, the position of the chartered banks of Canada would be exceptionally strong.

Continued on page 15.

EXTENDING IN VANCOUVER

Gas Company and Department Store Build

By Special Representative.

VANCOUVER. — The Vancouver Gas Company have purchased a block of city property adjoining their central gas generating station, and will enlarge their plant in the spring. It is stated, however, that contracts have not been let as yet for this work.

It is stated that the recent purchase of a block of Cordova Strete property, near Abbott, is for the purpose of enlarging the premises of the Woodward Department Stores, and that the lane between the new purchase and the present store will be bridged to connect the two properties.

MUCH UNDEVELOPED POWER ON THE COAST

Engineer White Estimates It at 2,500,000 Horse-Power

British Columbia has potential water powers totalling 2,500,000 horse power, according to the estimate of the Commission of Conservation, in a report on the subject written by Arthur V. White. The report places the power possibilities in the province as follows:

	24-hour horse-power
1. Columbia River and Tributaries—(North of the international boundary	610,000
2. Fraser River and Tributaries	740,000
3. Vancouver Island	270,000
4. Mainland Pacific Coast and Adjacent Islands (except Vancouver Island)	630,000
5. Mackenzie River Tributaries	250,000
Grand total	2,500,000

The installed capacity of power at present developed in the province is about 300,000 horse power. The three largest developments are the British Columbia Electric Railway Company's Coquitlam-Buntzen development near Vancouver, with an installed capacity of 84,000 horse power and a head of 400 feet; the Western Power Company of Canada, with development on the Stave River having an installation of 40,000 horse power and a head of 120 feet; and the three power houses of the West Kootenay Power and Light Company on the Kootenay River. The power supplies the mining district to the southwest and various municipalities therein. This power has specially contributed to the development of this part of the province. The Kootenay plant has a total capacity of 40,000 horse power operating under heads of 70 feet and 34 feet. The highest head developed in the province is one of nearly 2,000 feet, by the Britannia Mining and Smelting Co., at Howe Sound. The Jordan River development of the British Columbia Electric Railway Co., on Vancouver Island, has a head of 1,145 feet.

CATHOLIC CHURCH FIGHTS BOLSHEVISM

Should Be an Important Factor in Stemming Campaign in Montreal

In view of the report of the Montreal "Star" recently that the Reds are hoping for a Soviet Government in Canada by the spring, an energetic campaign being conducted to that end throughout the city, it is interesting to point out that the Catholic Church has taken a strong stand against bolshevism. Writing in the "Bache Review" on this point, Wm. C. Cornwell says:

The actual proportion of persons of Bolshevist and anarchic tendency or adherence in this country is relatively small compared with the whole population, but in actual numbers there are enough to cause considerable damage and their activities are unintermittent, as that is their daily business and they appear to be supplied with funds. So far, every rise in the Red wave in the United States has been met and repulsed. The first attempt at Seattle was throttled by Mayor Ole Hanson, the next in the Boston police strike by Governor Coolidge, and General Wood broke up the Red organization at Gary which underlaid the steel strike. The constant recurrence of activity, however, has given the impression that serious results may eventually ensue here. We have heard it argued, on the other hand, that a very strong power, that of the Church of Rome, is unrelentingly and effectively being used against every form of this pestilential international disease, which insures this country against ever being brought under domination of the Soviet. In the United States the priests of the Catholic Church, under orders, are carrying on an effective propaganda against every form of Bolshevism. This is certainly a very powerful weapon on the side of law and order. Other creeds are also arrayed against the evil. Certainly the power of all religious denominations should be set actively against this dangerous development of the times, which has brought about more misery to the human race than the plagues of the back centuries.

STUDY OF EXPORT MARKET IS NEEDED TO MEET DEMAND

British Views of Canadian Products Useful and Interesting

NO MALPRACTICE

Canada's Goods Have Only Caused Dissatisfaction When Knowledge of Conditions Has Been Lacking

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

In a recent issue of the Canadian Export Pioneer, a new publication, an interview is given with the manager of the Grocery Department of the famous British store—Harrods. W. Miln, the manager of this department of the store, states that the store has been buying Canadian cereals, jams and tinned fruits. He also reports purchases of Canadian bacon and cheese, lard and butter, and at one time Canadian eggs. Maple syrup, maple sugar and maple butter, potato flakes and peanut butter are Canadian specialties which the store has been pushing for some time. He reports a growing demand for maple syrup, but is not sure whether it comes from Americans and Canadians in Great Britain, or whether it is an evidence that the British taste itself is demanding this very typical product of the Dominion. Baked beans and pickles of Canadian manufacture have also been bought. Fraser River salmon is a staple line, but, aside from this, the firm says its experience with Canadian fish has been unfortunate. Canadian sardines, especially, have been of very poor quality, or, rather, very poorly packed, and have been put up in an immature state.

As regards canned fruits, Harrods have been importing direct, though most of the other grocery lines are bought in the London market. Canadian canned fruit was criticized, in some regards. The fruit itself is said to be of very good quality, but the gallon tins contain only 4 to 4½ pounds of fruit, as compared with 6 pounds, and very little syrup, in the Californian product, which is Canada's chief competitor. Pears are not cored sufficiently, and the syrup is said to be less rich than the American article.

Some Valuable Tips

There are some interesting criticisms here that are worthy of consideration, and it is gratifying to note that there is no charge of malpractice. In regard to the criticism on the Canadian sardine, it is probably due to a misunderstanding of the conditions. The Canadian sardine is an entirely different fish from the imported sardine of the Scandinavian countries, and comparisons are hardly, for that reason, justified. In regard to the pack of Canadian fruit, it is only justice to the packers to state that it is impossible to compare this fruit with Californian fruit. Californian fruit has the advantage over Canadian, in that it is more regular in size. There is a different quality in the fruit itself that, in a measure at least, accounts for the different fruit quantity on delivery. The Californian fruit is more fibrous, and has comparatively little juice, and for that reason stands up better under process, and remains practically unchanged in volume throughout the process; the Canadian fruit being far juicier, naturally breaks down to some extent. The Californian packer naturally uses a heavy syrup to offset this difference, whereas the Canadian market, as a rule, prefers a light syrup, which permits the better quality of the fruit to be appreciated. These are some ideas that suggest themselves as to explanations of the conditions complained of.

Competing With Europe

As regards canned vegetables, the report goes on to state that Canada's chief competitors are France and Italy, and this because of the very purity of the Canadian goods. The British market public likes a highly-colored appearance, and for this reason the continental pack contains a small amount of copper sulphate to maintain the natural color; this is absent in the Canadian article. Such adulteration is not permissible, and the exporters have evidently followed their usual packing practice and exported goods of the same standard as are required at home.

The report continues further to speak of the fact that Canadian apples are better graded and more satisfactory, in every way, than the American. Canadian jams are well liked. They are said to be considerably sweeter than the British article. Canadian condensed milk has been found equal in quality and public favor to the best Swiss product.

Canadian chocolates are reported to be firmly established on the market, and there is a good demand for Canadian biscuits, especially ginger snaps.

The weight of the evidence presented in this report would seem to indicate that the only real objection to Canadian products that could be raised, is that the exporter has not considered his market, but has endeavored to force on that market the goods he is accustomed to produce, without any effort to understand the peculiar likes and dislikes of the market he is endeavoring to serve.

CRERAR PREACHES LOW TARIFF IN EAST

Would Abolish Protection and Raise Revenue by Means of Income Tax

By Resident Representative

HALIFAX.—Hon. T. A. Crerar has been in Nova Scotia preaching his doctrine of the complete abolition of all protective tariffs in Canada and the substitution therefore of a tax on incomes as a means of raising the revenue lost through the doing away with the customs. He would supplement what is secured by the income tax with a tax on "luxuries." If the farmers get into power, protection must go root and branch, says Mr. Crerar. There must be no increasing the cost of the means of production, which is what Mr. Crerar says protection amounts to. He asserted, in his speech at Kentville, that this country would have been richer, more prosperous and greater, if we had never had any such thing as a tariff to protect any of the industries of the country.

Nothing was said as to the proportion of the revenue that Mr. Crerar thought would be paid by the farmers under the income tax system, but he urged strongly that it was not "class" legislation.

He defied any one to put his finger on a single plank of the farmers' platform that could be called special legislation for any particular class. One of the farmers' planks that was emphasized was Government operation of railways and water powers and control of the coal mines.

The farmers' organizations of New Brunswick and Nova Scotia agreed to put $12,000 into the capital stock of a paper to represent them, the Western grain men putting in $13,000, and making a total of $25,000. Of the five directors, three are to be from Winnipeg and two from the East. Control in Winnipeg was said to be essential, and the farmers agreed to it.

LABOR FAILED TO GAIN IN SASKATCHEWAN

Campaign of O.B.U. Evidently Had No Effect on Election Results

REGINA. — Organized labor in Saskatchewan emerged from the annual civic elections with but a small share of the laurels. In Saskatoon, labor put up no candidates for any office. In Regina, with one labor alderman seeking re-election, the Trades and Labor Council renominated him and also put up a labor running mate. In this city the aldermen are elected from the city as a whole, there being no wards. The result was that the labor alderman, who headed the poll two years ago, just succeeded in being elected, while his running mate was easily defeated.

In Moose Jaw, where labor is stronger than in any other city of the province, the union men failed to improve their position, electing two aldermen, one by a majority of four and the other by a large majority against a weak candidate.

At Swift Current, one of the small cities of the province, labor, with six candidates for council and Public School Board, waged a regular campaign to capture the council, but was badly defeated, electing only one out of six candidates.

There is practically no unemployment in the province.

BUILD WOODEN HOUSES

English Concern To Take Advantage of New Ruling

Following the recent ruling of the British Ministry of Health that wooden houses may be erected in the British Isles, the Anglo-Canadian Trading Corporation, Ltd., has been incorporated in London, to carry on the business of manufacturers of and dealers in wooden and other houses, and parts thereof, merchants, bankers, commission agents, shipowners, carriers, owners of trading stations, stores, depots, lumber camps, sawmills and factories, shipowners, etc.

There is a share capital of $50,000, in 8,000 shares of £5 each, and 10,000 shares of £1 each.

PROTECTION FOR HOME INDUSTRIES AIM IN BRITAIN

Bill Before Parliament Provides for Legislation Against "Dumping"

POWERS ARE WIDE

Committee Appointed to Enforce Provisions of Bill Will Have Authority to Deal With Many Questions

While England is nominally a Free Trade country, British industries will find a wide measure of protection for themselves in emergencies in the provisions of the Imports and Exports Regulation Bill, now before Parliament. The bill, which is sponsored by the Government, and is practically certain to be approved, follows the general lines foreshadowed by Premier Lloyd George in August, and provides powers and machinery for dealing with dumping, the safeguarding of key industries, the imports from countries whose exchange has collapsed the reconstruction of the British hop industry, the regulation of a few special classes of exports, and the granting of export credits and insurance against abnormal risks.

Authority is given to the Board of Trade to put into effect the provisions against "dumping" whenever it finds such action necessary. When this authority is invoked no goods of the class in question can be imported except when accompanied by a sworn declaration by the consignor stating the value of the goods in the country of origin. The importer must pay a customs duty equal to the difference between the foreign value of the goods and the import price.

Protecting "Key Industries"

Almost complete control is given over the so-called "key industries." The import of the goods manufactured by these industries may be prohibited by the Board of Trade, the purpose of this section being to foster their development at home. The necessity for this action, it is said, was proven during the war, when it was found that German competition in the manufacture of many seemingly unimportant articles had made it impossible for British manufacturers to make these articles at all for sale either at home or abroad. Some examples may be given:

The United Kingdom was dependent upon Austria for the large supplies which it required of miners' lamp glasses, and the shortage was a cause of serious embarrassment and anxiety in the coal-mining industry during the war. Again, the use of cerium fluoride in connection with arc lamps gives for the same unit and the same power twice the illumination that can be obtained without it. An even more interesting case is that of wireless valves. Without such valves wireless communication with aeroplanes would have been impossible during the war. So with many other items. During the war their production was taken up energetically in this country; much progress has been made, but not all the difficulties have yet been overcome, and it is felt that it would be most fortunate if the manufacturers were exposed now to the full force of revived foreign competition without some further period of preparation.

Another section of the bill gives the Board of Trade power to prevent the importation of goods from countries whose currency is at a discount in the London market, except when it can be shown that the increased costs of production in the other country make up for the advantage afforded to the importer by the exchange. This section is obviously to prevent flooding of the British market of goods of German and Austrian manufacture, which, owing to the fact that marks and kronen are at a great discount in London, can be imported very profitably.

Other sections of the bill provide for insurance on export credits for the prohibition the export of gold, silver, fuel, and motor spirit, and some foodstuffs except under license, and for the establishment of a committee to put the regulations into force in such emergencies as require them.

THE COST OF LIVING

Has Reached New High Mark in United States

NEW YORK.—The cost of living is the highest ever known, according to a statement made by Bradstreet's. The figures are based on 90 staple commodities, which advanced in price 1.3 per cent. during the last month, and are 131 per cent. above the prewar level.

Textiles, provisions and groceries constitute the bulk of the commodities, a pound each, at wholesale price, being the basis of computation. The total cost of the 90 pounds was 6.1 per cent. over that of December 1, 1918, three weeks after the armistice was signed; 14 per cent. over that of December 1, 1917, and 131 per cent. over that of August 1, 1914.

Price advances in England have been much greater than those in the United States, however, being 172 per cent. over those of August 1, 1914.

IMPERIAL TRADE CONGRESS

Will be Held in Toronto in August Next Year

For the first time since 1912 a congress of the Chambers of Commerce of the British Empire will be held next year. The conference will be held in Toronto at the end of August or early in September.

The Montreal Board of Trade is sending out a circular to its members asking them to consider the subjects that in their opinion should be dealt with at the conference, as it is necessary to have important resolutions drafted by February.

The last congress was held in London in 1912 and discussed many important subjects, some of them out of date now, and including Imperial trade marks, penny postage, income taxes, emigration, standard measures, etc.

EMPLOYMENT SITUATION

Further Slight Improvement For Week Ending Nov. 29

Reports from employers to Dominion Headquarters of the Employment Service of Canada, Department of Labour, show that, disregarding unemployment due to strikes, there was a further slight increase in the volume of employment during the week ending Nov. 29.

Reports were received from 4,911 firms, of which 2,212 were in Ontario, 1,029 in Quebec, 492 in the Maritime Provinces, 785 in the Prairie Provinces, and 390 in British Columbia. These firms reported 699,656 persons on payroll, as compared with 699,251 persons on payroll during the week ending November 22nd—an increase of 405 persons, or 1 per cent. A decrease of 676 persons, or 1 per cent. was anticipated for the week ending December 6th.

WHEAT IS NOT YET MOVING OVER BORDER

Doubts Exist as to Whether There is Any Margin Available For Export

Just what effect the raising of the American embargo on wheat and flour is going to have remains still in doubt. The embargo was raised on the 15th, but though there were various reports of large stocks of wheat concentrated along the border, there has been no indication that the change has resulted in any marked movement across the line. Indeed a very general impression prevails that the Canada Wheat Board has contracted for practically all of the available surplus for export, and that therefore there is very little wheat owned in the West to be affected by the change. Of course, there is the possibility that the British Government, who is unquestionably a large holder of these contracts, may be quite willing to release the Canada Wheat Board from its obligations in this regard in order that the export of wheat to the United States may be used in a measure to aid the exchange situation. Of course, this is only a supposition, and the prices quoted for stocks at $2.30 for No. 1 hard, do not indicate any feeling of certainty that it will be possib sell largely on the American market, where prices are upward of a dollar higher for the same grade.

There are, of course, considerable stocks of Ontario wheat, but there i no American demand for this grade as American mills are amply supplied with stocks of similar grad they want the strong wheat to make up the deficiency in this regard in their own crop, and the import of the weaker Ontario wheat is not looked for. The Ontario farmer, however, is confident that he is going to achieve some advantage from situation, and is holding his stocks firmly for higher prices.

The mills at the present time are running on a hand-to-mouth basis, and none of them to their full capacity. Supplies of grain are not moving forward very satisfactorily, and there is always the possibility that the situation may become serious at any time, with the mills faced with an actual shortage of grain to maintain even a partial run.

NEW TRACK IN VANCOUVER

Construction Activity to be Commenced Very Shortly

By Resident Representative.

VANCOUVER.—It is interesting to note that a mile of new track will be laid by the B. C. Electric Railway in Vancouver very shortly. This will be the first extension of trackage since the war, and will bring into use a large and desirable suburban residential district.

EXPORTS OF FEEDS VERY LIMITED, SAY MILLERS

Col. Fraser's Statement, That Mills Exported Large Quantities is Denied

FARMERS BLAIMED

No Effort to Market Feeds When Domestic Demand is Adequate—Export Wheat Means High Feed Price

By J. L. RUTLEDGE, Editor "Canadian Grocer."

Colonel John Z. Fraser, the representative of the farmers on the Canadian Wheat Board, judging from recent interviews, has comparatively little sympathy with the milling trade. When they protested that the export of flour means a serious shortage of feeds that are essential to Canadian cattle raising, the doughty Colonel replies rather sharply, that they are talking in their own interests only, and that the excuse is absurd, because they have themselves been exporting feeds in considerable quantities to the United States. Of course the harshness of this judgment may be tinged somewhat with the desire to see Canadian wheat selling at $3.40 per bushel, plus a favorable exchange rate, doubtless a laudable ambition, but certainly scarcely more so than the desire of the miller to see the grain rolling toward the Canadian mill rather than across the line.

But admitting an item of self-interest on both sides, there still remains a very definite charge that Canadian mills have been selling feeds in large quantities across the line. Col. Fraser being a member of the Wheat Board must be thoroughly aware of the fact that it is some considerable time since shipments of bran and shorts were permitted export license and, therefore, he knows that it is some time since there was any such export, but he did not bring this fact to the public attention in his reported remarks. Probably he was not aware that one of the reasons the mills were anxious to find an export market was that an overplus of stocks on the Canadian market left them in a rather undesirable position.

Farmers Wouldn't Pay Market Price

Take a case in point. Early in the season a large Eastern milling company had a somewhat heavy holding of bran and shorts. They offered these stocks to various farmers' clubs and buying organizations at the current market figure. These organizations, however, thought they saw an opportunity of getting a more favorable price and refused to buy at the market figure. It was only then that the milling company endeavored to find a market for this product in the United States, where the price was materially higher than the figure at which the feeds were offered to the Ontario farmers. The influence of the farm was sufficient to prevent license being secured so that eventually the feeds were sold in Canada. But the point is, that there has been no effort to export stocks while a market was available on this side at anything approaching the American figures, and the only time when such goods were exported was when there was an actual surplus in Canada.

Export Wheat Would Mean Feed Shortage

At the present time conditions are far otherwise. With the present low rate of milling the production of roughage is much restricted. Moreover, with the severe weather at hand the farmer must feed more feeds, which means that the period of high demand is being met by a period of low production, and if there is any appreciable shipment of wheat across the line, this low production may be reduced almost to the vanishing point. If Col. Fraser's contention that millers are thoroughly self-interested in their efforts to restrict the export of wheat be granted, for the sake of argument, this fact yet remains clear, that if the mills are through lack of grain compelled to close down then the country is face to face with an acute shortage of feeds that can only be met by buying American feeds made from $3.40 wheat plus any margin of profit that the American mills, knowing the urgency of the Canadian demand, may feel themselves justified in taking. That fact, at least, must be offset against any improvement that the American market might offer to the Canadian producer.

Ontario Wheat Being Held For a Rise

Col. Fraser, in the course of his remarks, states that there is a plentiful supply of wheat in Ontario, may be quite correct, but the fact remains that Eastern mills are not grinding Ontario wheat, because Ontario wheat is largely off the market at the present time. Offers of $2.35 have not brought any offerings, the holder evidently waiting to get a higher price when Canadian exports have sent the domestic price upward. But granting that there is a plentiful supply of Ontario wheat, that does not have much effect on the situation, because the American demand is not for Ontario wheat, but for No. 1 Northern. The United States, with the largest crop in its history, is in no need of wheat as such, but it is in need of a strong wheat to give body to its flour. If that wheat is sold, then Canadian flour must suffer, for Ontario wheat alone will not mill into Canada's best grade flour. It will be merely a reversal of the conditions existing at the present time, with Canada, instead of the United States, the country whose flour lacks the quality to make it readily saleable. "The existence of ample actual reserves," according to Col. Fraser, "relieves the situation from any domestic danger resulting from the attractive price and high rate of exchange across the line." But that is a point that has yet to be proven. It has never been possible to definitely estimate the balance of any crop, and it cannot be done to-day. There are certain figures, however, that are known, and that is that deliveries at upper lake ports in November were eight million bushels behind that of last year. This may or may not mean anything, but it indicates at least that the large Eastern mills have that much less grain within reasonable distance to depend upon.

It is questionable just what stocks of No. 1 Northern yet remain. It is doubtful if they will more than care for present contracts with the British and other European Governments and leave a reasonable margin for domestic requirements. Col. Fraser, in championing the farmers as against the mills, is making a distinction in interests that cannot exist, they are mutually dependent for a large measure of their prosperity.

SERIOUS SITUATION OF ELEC. RAILWAYS

More Than a Sixth of American Mileage in Hands of Receivers

NEW YORK.—"The electric railway industry nearly suffered annihilation through conditions caused by the war," said Gen. Guy Eastman Tripp, chairman of the board of directors of the Westinghouse Electric and Manufacturing Company. He continued:

With respect to the judgment used in making this investment, the facts are all favorable. From the beginning to the present time street railroads have had all the fundamentals of a sound investment. They furnish now and always have furnished an indispensable service to our urban population. The very existence of modern community life depends upon this form of transportation, and, after water and sewerage, it is the most important public utility. In short, if our urban communities have made for the wealth, comfort and culture of this country, then an investment in street railway transportation is in one of the cornerstones of the structure; and, if the investment is in danger, it is not because of poor financial judgment.

More than a sixth of the total electric railway mileage of the country is in the hands of receivers. A very large additional number of companies are on the verge of bankruptcy, some of them kept from this fate only by the financial strength of the much criticized "holding" companies. Alone of the important industries of the nation, the electric railway industry nearly suffered annihilation through conditions caused by the war, and back of all these facts is the further and by all means the most important fact that the industry, by reason of restrictions in statute law, in ordinances and by franchises is unable to take measures to save itself from the fate which events show to be imminent.

The restoration of credit is fundamental to the continuance of private capital and private enterprise in the public service, and the main task that confronts the country, insofar as the electric railways are concerned, is the restoration and the future preservation of that credit.

The street railway problem has passed the stage where it is simply a concern of the owners and operators of the properties. They have lost and are losing a great many millions of dollars and for them the situation is deplorable enough, but the communities, and through the communities you men of business, the workmen, the ordinary everyday citizens, are to-day threatened with the loss or demoralization of a service that is absolutely necessary if business is to continue in our large urban centres, if the health and morals, and comforts and convenience of our citizens are to be preserved.

CANADA'S SHOE TRADE

Twelve Million Pairs Manufactured in 1918

According to a preliminary survey of the boot and shoe industry in Canada, completed by the Dominion Bureau of Statistics, over twelve million pairs of boots and shoes valued at $43,332,000 were manufactured in Canada in 1918.

The total capital invested in the industry was $31,493,000. The number of employees on salary was 1,446, and on wages, 10,878.

Foreign Business

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NEWSPRINT PRICE FOR CANADA IS RAISED TO $80

An Advance of $11 a Ton is Authorized by Government for Six Months

CONTROL GOES OFF

By Middle of Next Year—Agreement Finally Reached—Costing $1,500,000 More Next Year

By Resident Representative

MONTREAL.—A very important decision has been reached between the newsprint mills and the publishers and the Government, which will make clearer sailing for the newsprint mills of Canada in the future. Not only will there be an increase in price of paper that is supplied to the Canadian newspapers, from $69 a ton to $80 a ton, for the first six months of 1920, but the Government has decided to remove the control of the industry that has been exercised at the request of th publishers for nearly two years and a half.

Some time ago mention was made of a conference held between the mills and the publishers at which a tentative figure of $75 a ton had been agreed upon Difficulties arose in the past few weeks and this agreement did not go through, with the result that some of the newsprint mills announced that they would throw off the control and fight the case from a legal standpoint. At Ottawa on Wednesday of this week the publishers and mills appeared before Sir Henry Drayton and an agreement was reached, which, it is stated, is satisfactory to all parties concerned. The agreement will take effect in the form of an order by the Governor-in-Council, from which there can be no appeal. As far as can be learned, the E. B. Eddy Company will continue to supply newsprint in sheets to 100 or more of the smaller publishers in Canada, as the new price will run $11 per ton at least above that at which they have been supplying paper for nearly two years' time. It would appear improbable also that there would be any refund for them from the other mills, an action to which the latter took exception at the conference here this week.

The control of the price by the Government, and particularly the low rate of $69 a ton, which was in effect this year, and the prospective low rates that might be put into effect next year, found the newsprint mills rebellious, considering market conditions in the United States, where about 85 per cent. of their paper was sold. There they would get at least $90 a ton, and that only for three or six months, with the probability that there would be a considerable increase at the end of the contract. The mills have claimed for some time that the control of the industry in Canada has prevented them from going forward with a number of extensions to their mills, although even under the control the preponderance of export under high prices was an advantage that led most of them to proceed with extensions.

The control started in 1917 and the first price was $50 a ton. This was afterwards raised to $57, and then to $69 a ton, but on an appeal the price was reduced for a portion of the time to $66. The new price is therefore $30 over the first price fixed, and $11 a ton over the one now in effect. As the Canadian publishers use about 100,000 tons of newsprint a year, the increase of price as arranged will be at the rate of about $1,100,000 for the year. But when the control goes off at the end of six months the price will jump to existing market conditions, which will be at least $90 a ton, so that the last six months the increase in price would run $21 a ton at least, or over a million dollars for that period. So the total increase would be at least $1,500,000 for the year 1920 on the present basis of payment of $69 a ton.

ABSORB IMPERIAL TRUST

Colonial Investment Company May Buy Controlling Interest

Shareholders of the Colonial Investment and Loan Company have been notified that an arrangement has been reached subject to their ratification under which the company will acquire a controlling interest in the Imperial Trusts Company of Canada. Both companies have their head office in Toronto. Shareholders of the Colonial will hold a general meeting on December 30 to consider the proposed purchase.

The Imperial is the oldest trusts company in Canada, having been established in 1887. The authorized capital is $500,000, of which $205,526 has been paid up. The reserve fund is $50,000 and total assets $4,801,064. It is proposed to purchase a majority of the stock at the price of $150 per share. The balance of the subscribed capital of a total in all of $400,000 will be paid up in full at or before the time of transfer. The two companies have been in fairly close relationship. Three directors of the Colonial are also directors of the Imperial. These men (A. J. Jackson, Brig-Gen. J. H. Mitchell and A. C. McMaster) own more than three-quarters of the issued stock of the Imperial, while the Imperial owns a large amount of preference stock of the Colonial.

It is understood that some of the minority shareholders of the Colonial are much opposed to the proposed arrangement. One of them, explaining why he would oppose the purchase, pointed out that to purchase the Imperial Trusts Company would cost the Colonial about $600,000, while dividends have only been paid in the past at the rate of $6,000 a year, or 1 per cent. of the proposed investment.

WAYAGAMACK GETS VALUABLE LIMITS

The Breakey Properties Covering 450 Square Miles Have Been Secured

MONTREAL. — The Wayagamack Pulp and Paper Company has made a most valuable addition to its holdings of timber limits by the purchase of the well-known Breakey limits is Gaspe, on the south shore of the St. Lawrence. The limits, which are situated on the York River cover a total of 450 square miles and will be particularly valuable to the Wayagamack Company, as 90 per cent. of the timber on the limits is spruce, which is just the kind of wood the company requires for the manufacture of Kraft products.

The York River is driveable through the entire length of the limits now acquired, and it is the intention to ship to the Wayagamack plant at Three Rivers by means of steam barges.

This new acquisition will place the Wayagamack Company in a very strong position as it will now have very valuable limits in the St. Maurice district on the north shore of the St. Lawrence and the Breakey limits on the south shore.

It is understood that it will not be necessary for the company to effect any additional financing in connection with this important purchase.

GOOD DEMAND FOR THE GOODYEAR ISSUE

Small Investors Are Showing Particular Interest in This Industrial Stock

The details were announced this week of the $4,500,000 issue of the Goodyear Tire & Rubber Company of Canada, Limited, in the form of 7 per cent. sinking funds cumulative preferred stock. The price at which the stock is offered by a syndicate of investment houses is $97.50 a share or par value of $100.00, which gives a yield of 7.18 per cent. Of this issue $1,500,000 has been appropriated for exchange with the old preferred shareholders of 97½, leaving a balance open to subscription of $3,000,000.

Some interesting figures are given in connection with the rapid growth of the company's business in Canada. The company itself secured a Dominion charter in 1910 to handle the Canadian business of the Goodyear Tire & Rubber Company of Akron, Ohio. The connection with the large American enterprise gives the Canadian company the benefit of patents, etc., and enables them to buy raw materials at favorable prices. The company claims to be the largest makers of automobile tires in Canada and in addition manufactures a number of other rubber lines. The following is the record of the company's sales and net earnings for the past five years:

Year ending Sept. 30—	Sales	Net Earnings
1915	$2,370,914	$ 188,730
1916	3,466,683	289,413
1917	5,509,433	422,928
1918	8,544,557	760,997
1919	12,839,123	1,324,328

(The above figures are after making provision for depreciation and Business Profits Tax, and without any benefit accruing from the present large addition of capital.)

The issue is being handled by A. E. Ames & Co., Dominion Securities and Nesbitt, Thompson & Co., and a number of other houses are also acting as distributors. Investors are showing a live interest in the proposition and a large number of small subscriptions—one to ten shares—are being received.

DOMINION CANNERS

The common stock of the company had another brisk week, selling upward of 5,000 shares at a range from 56 to 61¾. There is nothing new in regard to the company that would appear to justify any unusual interest, so it is evidently due to the general confidence of the public based on a known successful year's operations.

CALL SENT FORTH FOR "CAR" PROXIES

Warning Issued by A. Hicks Laurence—Mysterious Buying Sends Stock Up

By Resident Representative

MONTREAL.—Somewhat of a mystery surrounded the sudden buying of Canadian Car and Foundry common stock on Wednesday and Thursday of this week, which sent the price up nearly 10 points to a new high for some years. On the top of this there went out a circular letter from one of the directors, A. Hicks Laurence of New York, urging shareholders to send in their proxies in support of the present administration. The situation, suggesting as it does an effort in some direction to secure control, recalls the reverse position of two years ago, when Mr. Laurence was one of the leaders in the struggle to bring about changes on the board as it then existed. On this occasion Mr. Laurence's name is on the same proxy form as that of W. W. Butler, the president. THE FINANCIAL POST learns that at the meeting when the big struggle was consummated, over 93,000 shares were represented by proxy out of a total of 120,000. Last year the proxy list had fallen to 40,000, and so far, for the meeting of January 15, there are only a few thousand on hand. The improved position of the company, in financial and other respects, apparently finds the shareholders acquiescent, and so contented that they are not taking the trouble even to record their votes.

Mr. Laurence's letter reads as follows:

From a recent trip I made to Canada in connection with Company matters, I ascertained that there is a great laxity among the stockholders in returning proxies for the annual meeting to be held on January 15, 1920.

The present market value of the stock as compared with a year and a half ago prompts the suggestion that because of the showing of the Company, interests other than those stockholders who with me have apparently retained their holdings, have been acquiring stock.

It is difficult to fully explain why I should send out this notice asking stockholders to send in their proxies as a recognition of the work done and in support of what it is hoped will be ultimately accomplished. I feel it potent to remind the shareholders that it is very imprudent to show such utter lack of interest in the affairs of their company as would seem to be the case at present.

As a matter of protecting your own interests as stockholders, I cannot urge you too strongly to return the enclosed proxy to the Committee.

For the convenience of those who have mislaid the proxy form, another is enclosed together with an addressed envelope.

Yours very truly,
A. HICKS LAWRENCE,
Director, Can. Car & Fdry. Co., Ltd.

LAURENTIDE TAKES A SUDDEN JUMP

Redistribution of Capital Stock Said to be Reason for Week's Advance

By Resident Representative

MONTREAL.—The sudden jump of Laurentide stock this week 15 points overnight to a new high of 270 was due to the knowledge that the directors at their meeting this week were prepared to discuss the proposal that has been mentioned before in these columns namely to divide the common stock into three portions and pay a dividend of 5 per cent. with a bonus of 1 per cent. on each portion, making the new rates equivalent to 18 per cent. on the present holdings. This plan, it is understood, was discussed at this week's meeting and a formal announcement is expected early in the New Year. Permission will be obtained, it is understood, to increase the authorized capital to $30,000,000. The amount of common stock outstanding now consists of $9,600,000 with bonds of slightly over $600,000. These latter mature on January 2nd next and present plans are to retire these in full with funds that have already been set aside for this purpose. As the company has no preferred stock it will therefore commence the year 1920 with its common stock as its only outstanding capital indebtedness.

The 5 per cent. that it is proposed to pay on the new stock will come from the earnings of the paper companies, while the additional one per cent. bonus will accrue from the company's investments. The greater portion of these, in so far as revenue is concerned, rest in 72,000 shares of Laurentide Power Company which is now paying a dividend of 4 per cent. a year. The dividend received from the Laurentide shares in this company is equal to 3 per cent. on the present capitalization of the Laurentide Company. This interest in Laurentide Power Company is carried on the Laurentide books at only $5.00 a share or a total of $360,000. As a matter of fact the Laurentide Power stock had been selling at $77.00 to $78.00 a share, which would make its present value over $5,000,000. This represents only one of the huge assets of the Laurentide Company, which are taken in at a very conservative basis.

The action of the stock this week in going up to 270 realized at least one estimate of the point that would be reached before the end of the year. This was on the supposition that when the stock was divided into three parts, paying 5 per cent. and a bonus of one per cent., that each share would sell at $90 or at $270.00 for the original shares. The fact that the price was reached even before the announcement by the directors suggests that $90 is a very moderate estimate of the coming value of the subdivided shares.

DOMINION STEEL

Referring to recent dispatches cabled to the Canadian Press from London, containing statements attributed to Col. Grant Morden, to the effect that a large part of the Sydney plant of the Dominion Steel Corporation at Sydney was to be scrapped and some $10,000,000 spent in extensions and renewals, George Caverhill, member of the executive committee of the Steel Board, characterizes the reports as "perfectly ridiculous."

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ROYAL BANK'S ASSETS GAIN BY $106,000,000

Remarkable Progress Again Shown in Savings and Current Loans

PROFITS UP $600,000

Reaching Over $3,400,000, or 20% on Increased Capitalization—Records for the Past Ten Years

By Resident Representative

MONTREAL.—The golden jubilee statement of the Royal Bank issued on Thursday of this week is a notable record of progress, and particularly so under conditions of "readjustment following war financing for the Government, when there has been a tendency for assets and deposits to show little, if any, increase. The Royal Bank, however, both in its domestic and foreign business, has shown remarkable development, and this year most of all in its history. The assets have grown during the year from $427,000,000 to $533,000,000, a gain of over $106,000,000, or $198,000,000 in the past two years. The growing confidence of the general public is seen in the increase in savings deposits from $197,348,439 to $259,465,169, or over $62,000,000, or $126,000,000 in the past two years. Demand deposits rose from $135,243,279 to $159,656,229, a gain of over $24,000,000, or a total in deposits of $86,000,000, or over $175,000,000 in the past two years. The large place it occupies in affording assistance to commercial enterprises is seen in the growth of current loans from $119,184,715 to $143,259,518, an increase of more than $24,000,000. At the same time the bank was fulfilling its part in connection with the big war loans and other Government financing, represented in part by the total of $45,323,578 in Government securities, as compared with $36,599,976 last year, and $22,322,197 two years ago.

One of the most interesting exhibits from the shareholders' standpoint is the profit and loss account. The issue of new capital increased the total from $14,000,000 to $17,000,000, while the reserve was raised from $15,000,000 to $17,000,000. That excellent use was made of this is indicated by the handsome increase in earnings, which rose from $2,809,846 one year ago to $3,423,264, a gain of over $600,000. Even with the increase in capital the percentage of earnings kept pace with last year's, being 20.14, compared with 20.07, or 10.07 per cent. on the combined capital and reserve. From these earnings there was deducted an extra bonus of 2 per cent. to shareholders to mark the golden jubilee. The profit and loss figures for the past three years compare as follows:

Profit and Loss

	1919	1918	1917
Prev. bal.	$ 535,757	$ 564,264	$ 852,346
Profits	3,423,264	2,809,846	2,327,979
Total	$3,959,021	$3,374,110	$3,180,325
Less—			
Dividends	$1,866,196	$1,614,702	$1,549,604
Pension	100,000	100,000	100,000
Premises	400,000	400,000	250,000
Patriotic	......	90,000	60,000
War tax	156,406	133,651	128,357
Bonus of 2%	340,000	......	......
Bal. forward	$1,096,418	*$ 535,757	$ 564,264

*After deducting $500,000 for reserve.

Analysis shows a continuation of the tendency of the last three years for "immediately available liquid assets" to show a slight decline compared to the total assets. The percentage for 1919 is 38.5, as compared with 39.98 last year, while the percentage to the bank's liabilities to the public has dropped from 43 to 41.3.

The figures compare as follows:

Immediately Available Liquid Assets.

	1919	1918
Specie	$ 28,945,823	$ 17,488,314
Dom. notes	26,735,724	24,636,345
Note cir. dep.	750,000	742,819
Notes bk.	3,464,200	10,678,021
Call loans abd.	33,812,751	24,374,191
Bank bal.	17,104	6,043
Bank abr.	18,101,373	10,391,516
Gov. sec.	45,323,598	36,599,976
Cheques	23,757,240	20,034,899
Gold res.	24,500,000	26,000,000
	$205,407,815	$170,952,124
% total ass.	38.5	39.98
% total lia. to pub.	41.3	43.00

Other Assets

	1919	1918
Public sec.	$ 33,400,543	$ 29,620,886
Other sec.	19,414,891	15,084,415
Call loans	16,435,614	10,067,482
Current loans	143,259,518	119,184,715
Cur. loans elsewhere.	90,210,271	64,175,164
Ovr. debts.	365,089	388,513
Letters cred.	16,467,979	10,162,630
Real estate	1,495,271	1,171,131
Premises	7,016,442	6,492,012
Other assets	173,649	213,910
	$328,239,269	$256,560,858
Total assets	$533,647,084	$427,512,982
Gain for year	$106,134,102	

Liabilities to Public

	1919	1918
Circulation	$ 39,837,266	$ 39,380,976
Dem. dep.	159,656,229	135,243,279
Savings	259,465,169	197,348,439
Due banks	13,971	26,794
Due elsewhere	7,449,852	6,068,926
Accept.	16,467,979	10,162,629
Bills payable	806,777	316,058
Due Dom. Govt.	14,000,000	9,000,000
	$497,697,243	$397,547,102

Liabilities to Shareholders

	1919	1918
Capital	$ 17,000,000	$ 14,000,000
Reserve	17,000,000	15,000,000
Dividends	513,422	430,123
Bonus of 2%	340,000	......
Balance	1,096,419	535,757
	$ 35,949,841	$ 29,965,880
Total liab.	$533.647,084	$427,512,982

Record of Development

The following comparative figures give an interesting idea of the earnings, record and growth of the institution:

The record of earnings for the last eleven years are:—

	Profits	% on cap.	Div.
1919	$3,423,264	20.14	12+2
1918	2,809,846	20.07	12
1917	2,377,979	18.03	12
1916	2,111,307	17.87	12
1915	1,905,576	16.48	12
1914	1,886,142	16.30	12
1913	2,142,100	18.43	12
1912	*1,527,324	18.25	12
1911	1,152,250	18.58	12
1910	951,337	18.29	11¼
1909	838,306	18.08	10
1908	746,775	19.15	10

*For eleven moonths only, ending Nov. 30.

The following record shows the enormous gains the bank has made in the past 10 years:

	1919	1910
Total assets	$533,647,084	$92,510,346
Total liquid assets	273,908,862	37,226,670
Cur. loans and disc.	143,259,518	52,471,208
Total deposits	419,121,399	72,079,607
Deposits bearing int.	259,465,169	51,709,181
Dep. not bearing int.	159,656,229	19,737,130
Capital	17,000,000	6,200,000
Reserve fund	17,000,000	7,000,000
Profits for the year	3,423,264	951,336
Bal. carried forward.	1,096,418	243,230

KIPAWA MILL STARTS FIRST PULP SHIPMENT

Big New Mill Ready to Export—Riordon Could Pay Dividend From Exchange

By Resident Representative

MONTREAL.—The official announcement was made this week that the Kipawa Fibre Company, which is controlled by the Riordon Pulp & Paper Company, was now operating their new pulp mill at Temiskaming, and the pulp shipments would be commenced next week. Of the output, nearly the whole amount will find a market in the United States. The parent company's product to the extent of 90% also goes to the States. Here, too, the exchange situation favors Riordon and it was stated that if the premium from New York funds remained at 8% for a year the advantage to the company would be more than sufficient to pay the entire common stock dividend. The product of the Kipawa Company is claimed to be by far the finest grade of pulp made on the American continent and quite equal to the best that Scandinavia produces. Very rapid progress has been made on the Kipawa mill and the fact that the output is being shipped this year comes well within the estimate made many months ago. Riordon stock rose to a new high this week.

$4,000,000 ISSUE CUBAN-CANADIAN CO.

Representing 8% Cumulative Preferred Stock With Bonus of Common

By Resident Representative.

MONTREAL.—Details are available this week of the Canadian investment in the Cuban sugar field which was referred to a short time ago. The Royal Securities Corporation announce an issue of $4,000,000 of 8 per cent. cumulative preferred shares of a new company called the Cuban-Canadian Sugar Company. In additions there will be an issue of $5,000,000 of common stock, and it is understood that a substantial bonus on the common will go with the subscription to the preferred stock. The new company is taking over a well-established sugar estate and plantation in the Province of Oriente, Cuba. The estimate of net earnings for the year ending September 30, 1919, at $1,127,000, which covers nearly four times as much as the $320,000 required to pay the preferred dividend. This would leave an amount equal to 16 per cent. available for common dividend. The earnings for the year ending September 30, 1919, were very favorable, and yet were made under conditions when the sugar had to be sold under Government control at 5½ cents per pound. The control has been lifted and the price has now risen to 7 cents. The great attraction to-day and for some time to come in an investment in well-managed sugar company in Cuba is that the world production of raw sugar has dropped through the partial failure of the beet sugar crop, leaving the cane sugar to make up in so far as it can the world shortage. It is understood that over three-quarters of the present issue of preferred stock has been disposed of privately, and a public issue will be made early in the New Year.

OPERATING COSTS HIT WESTERN GAS

Income Increased by Small Amount, But Profits Were Cut in Two

The effect of the conditions which are being faced by public utility companies is shown by the annual statement of the Western Natural Gas, Light, Heat and Power Company for the year ending September 30. Despite the fact that revenue from gas sales was even slightly higher than in 1918 and that miscellaneous income was also a little better—the total of $1,081,042 comparing with $1,067,502—such was the effect of higher drilling and other expenses, as well as the necessity for increased allowances for depreciation, that the net earnings of $101,551 were just about half of the $202,939 shown for the previous year. Following are comparative figures:

	1919	1919
Sales of Gas	$1,046,397	$1,044,160
Misc. Earnings	34,645	23,342
	$1,081,042	$1,067,502
Expenses	369,404	314,360
Drilling wells	134,397	123,815
Deb. interest	184,238	195,952
Depreciation	291,451	230,436
Net earnings	101,551	202,939
	$1,081,042	$1,067,502

An increase in the number of customers of 794 to a total of 11,841, with an increase of $98,046 in receipts from domestic consumers and a decrease of $95,809 from industries, is interesting as indicating that small consumers are being more and more catered to. This has a bearing on the general situation described in a recent report of the Conservation Commission, which takes the attitude that Alberta natural gas should be conserved for the domestic consumer and not used for manufacturing purposes.

Three new wells in the Bow Island field were completed during the year with the following result: One was dry and abandoned, and the other two came in small, one a two million cubic feet well, and the other three million feet. Two other new wells in entirely new locations were also completed, one being dry, but the other came in for four and a half million cubic feet per day. This well was an important addition to the company's resources during the last ten months of the year. It is hoped that it will form the nucleus for another large field and three other holes are being sunk to test out the locality. Another promising field is also being tried out.

INTERNATIONAL PAPER

International Paper Co. has resumed operations at its paper and tablets. Up until the time this mill was shut Niagara Falls mill, where it will manufacture writing down in the winter of 1917-1918 Two years ago the plant was shut down by order of the Government when the power shortage at the Falls became acute and those industries which were not manufacturing munitions were forced to discontinue.

UNLISTED SECURITIES

Stocks	Bid	Ask
Alberta Pac. Grain, com.	175	200
Do. pfd.	88	95
Belding-Paul, com.	55	60
Do., pfd.	90	95
British American Ass.	9	12½
Blain, Eby, pfd.	82	92
Brand-Hend., com.	54	58
Can. Machinery com.	28	35
Do., pfd.	54	75
Can. Westinghouse	115	125
Canadian Oil, com.	45	50
Do., pfd.	95	100
Carter Crume, pfd.	65	72
Can. Marconi	3	4
Can. Mortgage	67	72
Cockshutt Plow, pfd.	73	77
Crocker-Wheeler, pfd.	80	88
Colling. Shipbuilding, com.	38	
Dom. Power & Trans., c.	57	65
Dunlop Tire, pfd.	94	97
Home Bank	94	95½
Dominion Tire,	28	..
Goodyear Tire, com.	190	
Imperial Oil	135	155
Inter. Milling, pfd.	89	99
Kipawa Paper, com.	40¼	
Lambton Golf	425	
Massey-Harris	102	118
King Edward Hotel, com.	64	70
Loew's, Montreal, com.	85	95
Loew's, Toronto, com.	280	305
Wm. Neilson, com.	54	65
Sterling Coal, com.	15	17
Sterling Bank	103	110
Trust & Guarantee	79	82
United Cigar Stores of Can. Pfd.	185	225
Western Assurance	11	14
Whalen Pulp & Paper, com.	25	30
Volcanic Oil & Gas	80	88
Robt. Simpson, pfd.	77½	82½
BONDS		
American Sales Book, 6s	88	..
Algoma Steel Corp. 5s	55	65
P. Burns, 1924, 5s	100	103
P. Burns, 1931, 5s	96	99
Can. Machinery 6s	79	82
Collingwood Shipbuild'g 6s.	85	90
Eastern Car 5s	92	95
Mex. Northern Power 5s	13	15
Morrow Screw 5s	88	92
N. S. Steel Deb's, 6s	87	92
Ontario Pulp, 6s	104	106
Porto Rico, 5s	80	82
Sterling Coal 6s	73	76
Stone Limited 6s	94	98
Toronto Power, 5s	85	90
Tor. & York Radial 5s	97	99
Toronto Paper, 6s	86	90
West. Can. Power 5s	54	59

Countless Estates Have Been Wasted Through "Nobody's Fault"

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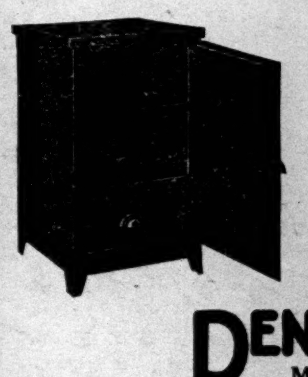

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STATE MAY CONTROL

Such a Course is Being Advocated in Order That the Public May be Assured of Service

MINNEAPOLIS. — The recent election resulted in the defeat of the by-law covering the new service-at-cost franchise proposed for the traction company—part of the Twin City Traction Company's enterprise—after the conditions had been agreed to by the city council. The vote stood 23,000 in favor and 30,000 against the franchise proposal. As it required a three-fifths majority to pass the measure, the vote was heavily against it.

By the radical elements in the city, the result is regarded as a victory for Socialism. However, as a matter of fact, analysis indicates that the contrary vote was largely piled up by many thousands of citizens who have no affiliation whatever with the Socialists, but who were dissatisfied with the terms of the franchise. As a result of this decision, the people of Minneapolis must make the best of the deficiency in service, which the new franchise would have overcome. If street car service grows steadily worse, due to the increased costs of operation, those who refused to ratify the franchise may get what satisfaction they can b cussing the traction company and corporations generally.

Prompt action by the city to relieve the situation is urged by Commercial West, which says:

The final solution of this traction problem will not be found in any franchise granted by the city council, no matter what its terms may be. The experience of the majority of the other states of the Union clearly points to the one logical thing to do, and that is to place traction companies under the control of a state public utilities commission. Minnesota already has a railway and warehouse commission that could be given enlarged powers to supervise the traction companies of the state. The records of our neighbor state, Wisconsin, and many others who have followed this plan, proves conclusively that this method of handling public utilities is far superior to that of municipal control.

The situation in Minnesota, with Minneapolis, St. Paul and Duluth served by one traction corporation, makes it especially desirable to utilize this state commission plan. This will do away with all local franchise granted by city councils and will give the greatest assurance for adequate service. The city councils lay their demands before the state commissions and the traction companies present their side of the case, and this judicial commission employs the services of the very best engineers and auditors, and their decisions are usually in the best interests of the public.

The various heads of these state commissions have a national organization and are constantly studying all the numerous problems brought out by various public utility companies. What the public demands first of all is adequate service and development of public utilities to meet the growing needs of each city. Under a state commission the corporations have a permanent lease for doing business, provided they behave and deal fairly with the public. The business of the companies thus being on a permanent basis, they are in a position to command needed capital for improvements and extensions and the entire matter is removed from the arena of city politics.

While the Minnesota Legislature does not meet until a year from January 1st, there should be a campaign started at once, to have this matter well before the people so that an intelligent public opinion may be expressed during the next session of the Legislature. If handled wisely and presented in the right light, there should be no trouble in bringing traction companies under the control of a state public utilities commission.

The stock which had been selling around 46 at the opening of November, suffered as the result of vote, and is now being traded around 37.

PACIFIC COAST COLLIERIES

Issue of $200,000 Bonds to Increase Coal Production

MONTREAL.—An issue of $200,000 of 6 per cent. twenty year prior lien first mortgage bonds is being offered by Herdman & Company of Montreal at 87½ with a bonus of 25 per cent. common stock. The purpose of this issue is to increase the company's output of coal, and it is expected that this will reach 300,000 tons during the coming year. According to an agreement with the holders of an outstanding issue of $2,000,000 6 per cent. bonds, the new issue of $1,500,000 will rank ahead of the existing one. This will make it distinctly a first mortgage on the assets of the company. Among the directors of the Pacific Coast Collieries are: James Carruthers, president; J. H. Paine, of Victoria, B.C., vice-president; Lt.-Col. R. W. Leonard, of St. Catharines; Sir Thomas Tait, Montreal; Paul Galibert, Montreal; C. A. Barnard, K.C., Montreal; Joseph Wright, Toronto; L. C. Herdman, Montreal, and W. E. Lougie, Canada, N.H.

A BONUS OF 10 P.C. ON ST. LAWRENCE FLOUR

A Special Distribution Before Christmas — Stock May Go on Straight 10% Basis

By Resident Representative

MONTREAL.—A portion at least of the reason behind the recent move in St. Lawrence Flour Mills' stock was made clear this week when the directors, at a meeting, declared a bonus of 10%, payable January 6th, 1920, to shareholders on record to December 22nd. The president, Thomas Williamson, declared that this bonus was being paid out of profits made outside the regular flour business during the past three years. This bonus of 10% is in addition to the regular dividend, which has been at the rate of 1½% for the quarter. For the past year there has been a bonus of 1% paid each quarter, which represented 10% for the year so that the bonus for this quarter is a clear increase of 9% over what would have come in the ordinary way. The point still remains whether the company will place its stock on a regular 10% basis for the regular quarter, the dividend for this being payable on February 1st, 1920. This point was not considered, it is understood, at the meeting of directors, only the special bonus being declared, which is payable three days before Christmas. As was mentioned last week, this company is doing an excellent business, much ahead of last year at this date. The common stock was first placed on a 6% basis last year and afterwards the bonus was added for each quarter during the present year. Prices have risen during the past year from 50, where it started, up to where it was lifted to a new high of over 150 this week.

NEW HOWARD SMITH COMPANY ORGANIZED

Preferred Stock Issue for $1,025,000 Bearing 8% — Common Stock to be Doubled

By Resident Representative

MONTREAL.—At a special meeting of shareholders of Howard Smith Paper Mills, Limited, this week, the reorganization plans of the Board were approved. This consists of a formal sale of the company to a new company which was recently incorporated, bearing the same name, with an authorized capital of $7,000,000. Of this, $3,000,000 will be preferred stock and $4,000,000 common stock. Of the preferred stock, however, only $1,500,000 will be issued and of the common, $2,500,000. The reorganization took place as the result of the recent purchase of the Toronto Paper Manufacturing Company which called for a new issue of preferred stock in order to finance the purchase.

This new issue will consist of $1,025,000 worth of new preferred stock bearing 8%, as has been announced before. The total issue will be $1,500,000, however, to cover the present outstanding issue of $475,000. The present preferred stock will be exchanged share for share for the new 8% cumulative preferred stock of the company which will participate up to 10% in dividends. Thus holders of the old preferred stock will get in place of the 7% which it now pays, an 8% issue and one which may rise in time to pay 10%.

As has been mentioned before, it is the intention to double the common stock of $1,250,000 to $2,500,000 by an issue of two shares for one The common shareholders will benefit by this in having double the amount of their stock, and it is understood that the intention is to place this new stock upon a 5% basis. This was hinted at in the recent announcement of a 5% payment on the common stock for the year 1919. The new company will operate three separate plants for the manufacture of bond, ledger and other high grade papers, namely, at the Beauharnois and Crabtree mills, both in Quebec province, and the newly-acquired property at Cornwall, Ont.

The Howard Smith Paper Mills, Limited, was founded in 1912 and the statement for 1919 will show a very marked progress over that of the preceding year. All three plants of the company are working to capacity and the outlook is bright, indeed, for the year 1920. The earnings, it is understood, will show a high percentage available for the common stock.

It is understood that the new issue of preferred stock at 8% will be offered to the public early in the new year. After the meeting the common stock jumped to a high of 151.

DOMINION GLASS SHOWS INCREASE IN NET PROFITS

Gain of $32,000 Over Last Year and $145,000 Over 1917

HIGHEST TO DATE

Strong Pre-War Position Now Passed — 6.58% Earned on Common—Gained Well on Poor Start

By Resident Representative

MONTREAL.—The annual report of the Dominion Glass Company for the year ending Sept. 30, 1919, as presented at the annual meeting of the shareholders this week, shows that the company has more than regained its pre-war position, insofar as net earnings are concerned, for the profits for the past year amounted to $631,724, as compared with $599,182 one year ago, and $486,634 two years ago, an increase of nearly $150,000 in the two-year period. The amount available for common dividends works out at 6.58 per cent., as compared with 5.6 per cent. one year ago, and 3.1 per cent. in 1917, and was slightly ahead of the percentage available in the year ending Sept. 30, 1914, which was 6.44%. The showing this past year is all the more satisfactory when the poor beginning, after the armistice, is considered, for in common with the majority of business concerns demand fell off for several months at the beginning of the year. The latter months proved much better than in 1918, and the total stands over $32,000 in advance of the year 1918.

The outlook is bright, moreover, for the new fiscal year of the company. One of the items in which there was an increased demand was on account of the Referendum in the Province of Quebec, and this applied only to the second half year of the company. The advantage will cover the whole of the new year. In his report to the shareholders, the president, Sir Charles Gordon, states that the company "continues to experience a full volume of business, but manufacturing conditions show but little improvement, and the cost of labor and materials remain at a high level."

Surplus of $989,000

The profit and loss account show deductions of the same amount as before for bond interest and sinking fund, $170,000. The amount available for common dividends this past year was $279,724, as compared with $238,280 one year ago. The deduction on account of common dividends varied, as it was only last year that the stock was placed on a dividend basis at 4 per cent., and for one year ago there had been only $85,000 paid, or six months' dividends in place of the full $170,000 on the $4,250,000 of stock this past year. Thus the balance carried forward was somewhat less than last year, leaving the surplus carried forward to the new year at $989,555, as compared with $879,831 one year ago, and $726,000 in 1917.

The figures for the past three years compare as follows:

Profit and Loss Account

	1919	1918	1917
Profits	$631,724	$599,182	$486,634
Less bond in.	120,000	120,000	120,000
	$511,724	$479,182	$366,634
Less Sinking Fund	50,000	50,000	50,000
	$461,724	$429,182	$316,634
Pref. Divid. .	182,000	190,902	182,000
Balance ...	$279,724	$238,280	$134,634
Com. Divid..	170,000	85,000	....
Balance	$109,724	$153,280	$134,634
Prev. Bal. ..	879,831	726,551	591,916
Forward ...	$989,555	$879,831	$726,551

The working capital of the company shows an improvement during the year of nearly $200,000, or about $500,000 in the past five years. The inventories are down, but accounts receivable up about $400,000, a rather unusual condition. Cash is nearly $100,000 more. The current liabilities show little difference, leaving the net working capital at $1,527,439 at the close of the year. Out of the surplus a reserve fund of $500,000 has been created. The assets of the company now exceed $11,000,000.

The working capital statements for the past two years compare as follows:

Working Capital

Liquid Assets	1919	1918
Inventories	$834,369	$1,043,969
Accounts Rec.	937,182	536,272
Cash	268,855	181,413
Prepaid Supplies ...	7,758	44,807
	$2,048,166	$1,806,461
Current Liabilities		
Accounts Payable	$207,399	$124,178
Accr. Dividends	88,000	88,000
Accr. Charges	225,327	260,400
	$520,727	$472,578
Bal. Work. Cap. ...	$1,527,439	$1,333,883

Bought - Sold Quoted
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Common
HOLT, RENFREW CO.
Common
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CAPITAL—
AUTHORIZED AND ISSUED £7,500,000
Paid-up Capital, £2,500,000
Res. Fd. £2,570,000 Together £5,070,000
Res. Liab. of Proprietors....£5,000,000
Total Capital and Reserve £10,070,000
Head Office: 71 Cornhill, London, E.C. 3
The Bank Has 181 Branches, viz:
In Victoria 41
In New South Wales...... 39
In Queensland 19
In South Australia 14
In Western Australia 21
In Tasmania 3
And in NEW ZEALAND.. 44
Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Canada Permanent Mortgage Corporation
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TEN PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
FRIDAY, THE SECOND DAY OF JANUARY
next, to Shareholders of record at the close of business on the Fifteenth day of December.
By order of the Board.
GEO. H. SMITH,
Assistant General Manager
Toronto, November 26th, 1919.

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AMERICANS MELT CANADIAN SILVER FOR USE IN ARTS

Drop in Canadian Funds Makes Melting Very Profitable

A TYPICAL CASE

Detroit Bank Gets Offer From Local Jeweller to Buy Canadian Coins in Its Vaults

A serious situation has developed in connection with the high prices obtainable for silver and the large discount on Canadian funds in the United States. While the rise in silver prices to within two or three cents of the "melting point" for Canadian silver money in itself gave cause for worry to the Canadian Government, the problem has been accentuated by the sudden upward movement in the premium on New York funds, and the point has been reached and passed where it becomes profitable for American jewellers to melt Canadian silver.

This fact was forcibly brought home the other day when one of the large banks in Detroit received an attractive offer from a local jeweller for a large quantity of Canadian silver coins that it had in its vaults. The bank found itself in a peculiar position. It could have shipped the coins to Canada, received Canadian funds in payment, and have lost from 8 to 10 per cent. on the transaction, as most of the coins had been taken at their face value, or it could have sold the entire lot to the jeweller at slightly over the face value. Instead of following the latter course, the bank communicated with the Canadian Receiver-General's Department, and it is understood that the case is now before the authorities at Ottawa.

Canadian Silver Disappeared

It was last summer that this problem first came up. When New York funds began to touch the 4 per cent. level it was found that the banks in the border cities, notably Bridgeburg, Niagara Falls and Windsor, had difficulty in keeping their supplies of silver up to requirements. Persons passing frequently between Canada and the United States found it convenient to exchange their American money for Canadian silver, taking advantage of the premium on their United States currency, but losing nothing when circulating Canadian coins on the other side. So serious became the drain on the floating supply of silver at the Canadian banks that the Receiver-General asked all the banks to exercise care to see that the coins did not get into the hands of any one known to be making a profit from circulating them across the border. The banks were required to certify that this would be done before they were given shipments of silver.

Many Melted Up

Such a move, while discouraging the wholesale trading in Canadian coins, could not prevent a certain amount of coins leaking through, and when the silver rose to around $1.35, and Canadian funds dropped to over 8 per cent. discount, Canadian silver coins were eagerly sought by American jewellers, and it is known that large quantities of them have been melted up.

The Canadian 50 cent piece has 166½ grains of silver in it, which, at $1.35 an ounce, is valued at about 49 cents. The gold parity of Canadian silver coins is about $138 in Canada, but the premium on American money puts Canadian silver in the United States on about a par with the United States silver dollar, which has a gold parity of $1.2929, and gives it a much higher value than American subsidiary silver coinage. While Americans are forbidden by law to melt their own coinage, they, of course, cannot be restrained from doing what they like with any Canadian coins that come into their possession.

Many Important Factors

While it is understood that the subject is now having the attention of the authorities at Ottawa, it is hard to hazard a guess as to the probable course to be pursued. France, England, Mexico, and some other nations have prohibited the export of silver in any form, but in the past the United States has been taking a large share of the output of the Canadian mines, and it is doubtful if arbitrary legislation along this line, even temporarily, would meet with universal approval.

There are a number of outside factors which directly affect the situation. One is the course of sterling exchange. As the price of silver is governed by the London, England, quotation, the rates for sterling naturally have much to do with the New York quotation for silver. Thus, when silver touched a new high point in London last week, it was quoted in New York at several cents below the previous high for the year. The recovery of sterling without a drop in silver prices would send up the New York quotation, and if these two factors should coincide with a high rate for New York funds, there would undoubtedly be a tremendous drainage of Canada's silver coinage to the United States.

DOME MINES

The Dome mines are treating approximately 1,000 tons of ore daily of the possible capacity of 1,500 tons daily. Additional men are arriving at the property steadily, and by the early part of the new year it is expected production will have reached capacity. The net profits of operation are reported to be running well over $100,000 monthly, which is equivalent to over 30 per cent. on the 400,000 shares of stock issued.

MINING STOCK QUOTATIONS
Week Ending Dec. 17.

	High	Low	Close	Sales
Adanac	6½	6	6⅛	27,600
Apex	3			500
Atlas	38	35	36	26,100
Bailey	4¾			1,000
Beaver	50	49	49½	26,750
Boston Creek	19			500
Cham.-Fer.	16	14½	14½	4,600
Coniagas	3.00	2.80	2.90	2,325
Cr. Reserve	46	42	43	48,350
Dome Exten.	34¾	34	34	2,100
Dome Lake	16	14	15¼	3,200
Dome Mines	14.45	14.00	14.25	555
Gold Reef	5	4¼	4¾	17,500
Hargraves	3½	3	..	5,500
Hillcrest	64	60	64	101
Hollinger	7.10	6.90	6.90	3,630
Keora	19	18	18	7,650
Kerr Lake	4.25			50
Kirkland Lake	52	49½	49¾	20,750
La Rose	51	46	50	14.775
McKinley Dar.	72	69	69	1,300
McIntyre	2.15	2.12	2.14	7,895
Moneta	17	16	17	5,600
Newray	13	12	12	2,000
Nipissing	13.75	13.25	13.60	520
Ophir	4	3¾	4	2,000
Peterson Lake	20¼	19½	19½	12,700
Porc. Imperial	1¾			4,500
Porc. Crown	29	27	29	19,500
Preston	3¾	3½	3½	9,300
Schumacher	23	21	22	2,600
Teck-Hughes	19	18	18	8,300
Timiskaming	52	48½	48½	49,535
Thom.Krist	7			9,000
Trethewey	50	45½	47	68,500
Wasapika	60	53	54	12,100
Gifford	1½	1⅜	1½	13,000
Lake Shore	1.20	1.19	1.19	2,580
Davidson	78	75	75	2,100
Mining Corp.	1.80	1.75	1.76	5,400
Cons. Smelters	28	27	27¾	625
V. N. T.	21	20	20	12,500
West Dome	10	9½	9¾	7,500
West Tree	11	9¾	10	14,050

NEW YORK EXPECTS SILVER TO BE FIRM

But No Increases in Price Are Looked For Now

By Resident Representative.

NEW YORK—Silver brokers here believe that the decision of the Treasury to allow a group of New York banks to make use of the only large stock of free silver still available in the United States, will serve to check any further increase in the price of silver. But while no further increase is looked for, it is thought that the steady demand that is everywhere still in evidence in the Orient, will, even in the face of the release of the silver now locked up in the American dollar, keep the price fairly steady.

According to the details made public in regard to the Government arrangement regarding the release of some of its stock of available silver, the silver dollars will be delivered against other forms of money for shipment to the Far East. The importance of this step can be judged from the fact that on November 1st last, there were approximately 68,415,000 of these silver dollars in the general fund of the United States Treasury, amounting in all to about 53,000,000 fine ounces.

How far the release of this silver will affect the market still remains to be seen. The high prices of silver reached a record height on November 25th at $1.37½. Just before the Treasury announcement was made it had fallen 6¼ cents. Since then it has risen to $1.34½.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the week ending December 7, totalled 6,229 tons, while from Oct. 1, 1918, to date, the receipts amounted to 371,887 tons.

All load-carrying airplane records were broken, when a twin-motor De Haviland 4-plane covered the distance between air-mail field at Washington and that at Belmont Park, New York, a distance of 218 miles, in 1 hour, 34 minutes, with a mail load of nearly 30,000 letters, weighing 630 pounds.

Stock Movements of the Week

Week ending December 17, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to Nov. 12
Banks—							
Commerce	197	196	198	195⅞	197	123	6.06
Dominion	205½	205	205½	204½	205½	43	5.85
Hamilton	189	187	188	188	188	5	6.38
Hochelaga	...	...	155	155	155	14	5.80
Imperial	197	...	197			10	6.09
Merchants	189	...	190	188	190	42	5.82
Molsons	190	...	190	187	187	20	6.31
Montreal	211	208	209¾	208½	208½	20	5.74
Nova Scotia	274	270	273			1	5.86
Royal	215½	...	217	215	215	135	5.58
Standard	211	209½	210	209½	210	23	6.22
Toronto	...	195	195½	195¼	195½	20	6.15
Union	...	160	161	158	160	73	6.25
Transportation—							
Barcelona	7¼	6¾	7¾	7	7	160	....
Brazilian	52	57½	52	50	51	3562	...
Can. Steamship, com.	78¾	78¼	79	79	78⅝	1709	5.12
Can. Steamship, pfd.	85¼	85	86½	84¾	85	857	8.04
Detroit United	108	107	109	105	109	737	7.33
Illinois Traction, pfd.	70	66¾	70	68	70	20	8.69
Montreal Tramways	...	...	154			50	6.45
Quebec Railway	28½	27⅜	28	25¾	27	4585	...
Toronto Railway	45	41	43	42	42	20	...
Twin City	37	34	37½	36	37½	55	...
Telegraph, Light, Power—							
Bell Telephone	116	...	117	113¾	113¾	200	6.95
Mackay, Com.	76½	76	76¾	76	76	126	7.67
Mackay, pfd.	69	68½	69	68½	68½	204	6.06
Mont. L.H. & P. Cons.	88	87½	89½	87	89½	3077	5.68
Shawinigan	...	118¼	119⅛	116	118¾	1376	5.98
Industrial—							
Abitibi P. & P., com.	203	202¾	205	195	205	765	3.01
Ames-Holden, com.	...	126½	126¼	125¾	126	140	...
Do., pfd.	...	111¾	112½	110	111	139	6.14
B. C. Fish, com.	62½	61	61	60	61	160	9.52
Brompton Pulp & P., c.	86	85⅞	87	82	86	8552	6.09
F. W. Burt, com.	108	106	108	106	108	32	7.47
Canada Bread, com.	29⅞	29⅛	30	28	29	428	...
Do., pfd.	...	84½	87			5	8.13
Canadian Car, com.	60	58	60	51	57	5177	...
Do., pfd.	102	100	105	99½	99	892	7.00
Canadian Cement, com.	73⅜	73¾	73½	70½	73¼	1884	8.45
Do., pfd.	...	98	99½	98½	98½	338	7.14
Canadian Converters	...	...	70	68	70	135	7.14
Canadian Cottons, com.	97	96¾	97½	94⅛	94⅛	840	6.18
Do., pfd.	82	80	82	81	81	122	7.31
Can. Fdrs. Forg., com.	196½	...	190¾	190	190	159	6.31
Can. Locomotive, com.	98	...	101	94⅝	98	160	6.00
Do., pfd.	...	95	95			25	7.36
Can. Gen. Elec., com.	105	103	104	103	104	111	7.54
Do., pref.	98	...	100			62	7.04
Carriage Factories, com	...	26	26	25	26	555	...
City Dairy, com.	...	56	56			1	...
Do., pfd.	...	92	92⅛	92	92	9	7.60
Dominion Bridge	106	105	106	104	105	648	7.69
Dom. Canners, com.	62	61	61½	56	60	1575	...
Do., pfd.	90	89	90			10	7.95
Dom. Steel Corp.	73	72½	73	70	72¾	6164	8.33
Dom. Textile, com.	123	122	123	121	123	705	6.45
Goodwin's, Ltd., pfd.	...	80	80			75	...
Lake of Woods Mill., c	...	...	200			10	6.00
Laurentide	267	266	270	250	265	2850	4.72
Lyall Construction, com.	...	84	90	82	83	1280	8.16
A. Macdonald, com.	38	37½	38	37	37½	260	...
Map. Leaf Milling com.	203	200	200			10	5.91
Do., pfd.	103	102	103	102¾	103	15	6.79
Montreal Cottons, com.	...	82½	83	81	83	150	6.02
Do., pref.	...	...	104			7	7.00
National Steel Car, com.	4½	4¼	4¼			25	...
Do., pfd.	...	23	25	20	25	215	...
Ogilivie Flour, com.	...	...	280			65	4.28
Do., pref.	106	...	106			50	6.60
Ont. Stock Products, c.	52½	52	54	48	53½	750	...
Do., pfd.	...	...	90			5	7.77
Pacific Burt, com.	35	34	35	33	35	23	6.06
Penman's, com.	112	108	110			150	6.25
Price Bros.	...	...	258½			100	3.08
Riordon Pulp & P. c.	156½	155½	161	152¼	160	1187	6.62
Do., pfd.	...	99	98			25	7.07
A. Rogers, com.	...	...					
Do., pref.	98	95	95			10	...
Sherwin-Williams, pref.	...	...	98¼			10	7.00
Smith Paper Mills, c.	...	150	151	145	151	121	...
Span. River. Pulp, com.	90	89	89½	75	89½	21384	...
Do., pfd.	...	...	131	126	130	3770	...
Steel Co. of Can., com.	84⅞	84⅝	85⅝	79¾	84½	12312	7.22
Do., pfd.	99¾	...	101	99¾	99¾	305	7.00
St. Lawrence Flour, c.	...	148	151	140	146½	3201	4.44
Tooke Bros., com.	65	63	65	64	65	60	...
Tuckett Tobacco, com.	...	56	60	53	58	833	...
Do., pfd.	89¾	...	90	89	90	53	7.77
Wayagamack, com.	80	79¾	80	77½	80	1810	...
Woods Manufac., com.	110	...	111½			15	6.25
Do., pfd.	85	...	85			4	8.23

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THE sales of the K. & S. Canadian Tire & Rubber Co., Limited, which has ben taken over by the above Company, have shown a very rapid growth from $150,000 in 1915 to $593,000 in 1918. For the first six months of 1919 the total sales were $586,000, and are estimated at over $1,000,000 for the year.
The net earnings of the Company which is being taken over were $85,245 for the year ending Dec. 31, 1918, and for the first six months of 1919 the total was $75,080, and it is estimated the profits for the whole of 1919 should exceed $135,000. With the new plant in operation it is believed that these figures will be doubled in 1920.
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BRAZILIAN TRACTION

Rumors are coming from London that the Brazilian Government is planning a tax of 5% on dividends of foreign companies operating in that country. The tax, if decided upon, will apply to the dividends paid on Brazilian Traction stock.

In 1916, the last year in which the company paid the full 6 per cent. on the common, the amount distributed was $4,251,488, besides which there is the $600,000 on preferred stock paid annually without interruption during the war.

The proposed 5 per cent. tax, if levied on that amount would call for approximately $242,500. It is probable, however, that when the country gets back to normal trade conditions and exchange is rectified, the company might become so prosperous that it would not feel the impost.

The recovery in Brazilian exchange in London has improved the position of the Brazilian Traction from the standpoint of the English investor. The milreis was quoted at 14½ pence a few months ago, but with quotations at present around 18½ pence, earnings are much increased. The result has been the rise of Brazilian on the London board to around 62.

MONEY BANKING AND EXCHANGE

BANK CLEARINGS SHOWED BETTER FOR THE WEEK

Six Cities Out of Twenty-Seven Report a Falling Off

MONTREAL IS LOWER

Gain in the East is 17.2%—In the West 4.5%—Toronto Gains 48% and Windsor 135.6%

Returns of bank clearings from twenty-seven cities for the week ending December 18, total $405,676,184 as compared with $357,780,420 for the corresponding period in 1918, an increase of 13.4 per cent. In the East the increase is $43,067,062, with Montreal the only city to report a decline, the total for that city being $134,234,366, a decrease of $4,472,522, or 3.2 per cent. Toronto's gain is 48.1 per cent., while Windsor again shows the largest percentage gain at 135.6 per cent.

Western cities report a gain of 4.5 per cent., with five cities showing lower returns. Edmonton shows a gain of 64.6 per cent., while Prince Albert and Victoria also show big gains. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities.	Dec. 18, 1919	Change	%
Montreal	$ 134,234,366—	$ 4,472,522	3.2
Toronto	112,749,437+	36,620,424	48.1
Ottawa	11,472,186+	1,767,772	18.2
Hamilton	7,391,834+	2,040,172	38.1
Quebec	7,029,969+	1,831,461	35.2
Halifax	5,230,592+	484,690	10.2
London	3,793,167+	1,043,755	37.9
St. John	3,437,561+	891,293	35.0
Brantford	1,490,899+	525,328	54.4
Peterboro	899,427+	16,349	1.8
Sherbrooke ...	1,390,009+	304,168	28.0
Kitchener	1,159,917+	316,998	37.6
Windsor	2,948,607+	1,697,174	135.6
Total, East. ..	$ 293,227,971+	$ 43,067,062	17.2

Western Cities	Dec. 18, 1919	Change	%
Winnipeg	$ 66,275,206—	$ 2,138,478	3.1
Vancouver ...	14,707,108+	2,394,272	19.4
Calgary	8,659,600+	1,281,418	17.3
Edmonton	6,369,755+	2,501,352	64.6
Victoria	3,048,032+	1,046,140	52.2
Regina	4,525,450—	423,482	8.5
Saskatoon	2,261,575+	128,265	6.0
Moose Jaw ...	1,778,669—	554,127	23.7
Ft. William ..	1,218,021+	246,860	25.4
Brandon	1,027,328+	258,495	33.6
Lethbridge ...	826,620—	256,546	23.6
N. Westminster	537,053—	1,135	.2
Medicine Hat .	655,169+	143,497	28.0
Prince Albert.	558,627+	202,172	56.8
Total, West. ..	$ 112,448,213+	$ 4,828,702	4.5
Grand total ..	$ 405,676,184+	$ 47,895,764	13.4
Yr. to date.	$15,310,227,062+	$2,397,078,910	18.6

STANDARD

The Standard Bank is opening a branch at Waterford, Ont., in connection with their Tillsonburg office. The new branch will be open two days a week.

STERLING

The Sterling Bank of Canada has recently added two more branches, these being at St. Williams, Ont., and Bernie, Man.

COMMERCE

The Canadian Bank of Commerce, has declared a cash bonus to the staff of 10 per cent. to those receiving salaries up to $5,000 per annum, and 5 per cent. to those receiving salaries of $5,000 and upwards, with a minimum of $500. In addition a general increase in salaries has been granted on an approximate scale of 10 per cent.., exclusive of the highest salaried officers.

The annual meeting of the Bank of Commerce shareholders will be held on Tuesday, Jan. 13.

A sub-branch has been opened at Nelles Corners, a small town near Cayuga. The new agency will be open on Monday and Friday of each week, and will be under the supervision of C. Munro, with R. H. Hunlie in charge. Mr. Munro is agent for the Cayuga branch.

Branches of the Canadian Bank of Commerce have been opened at the following points: Attercliffe, Ont., subagency to the Dunnville Branch; Manville, Alta., R. P. Thompson, manager.

MERCHANTS

F. C. Stone, manager of the West Lorne branch of the Merchants' Bank, has been transferred to the branch at St. Mary's, which has recently been opened.

G. L. Murdock, manager of the Newbury branch of the Merchants Bank, has been transferred to the branch at Ingersoll.

ROYAL

Colin C. McRae, who for the past three years has been a member of the Royal Bank at Montreal, and also supervisor of the inspector's staff in the Canadian West, has been promoted to be assistant supervisor in New York City.

NOVA SCOTIA

A branch of the Bank of Nova Scotia, is being established at Sarnia, Ont.

Hugh B. Anderson, of the Edmonton branch, has been transferred to the branch at Ottawa.

The annual meeting of the bank will be held at Halifax, N.S., on January 28.

DOMINION

J. B. Hall, manager of the Whitby branch of the Dominion Bank, has been appointed manager of the branch at Brampton. Lieut. H. S. Jones, lately returned from overseas, will succeed Mr. Hall at Whitby.

A branch of the Dominion Bank has been opened at Norwood, St. Boniface, Man.

IRREGULAR WEEK IN EXCHANGE MART

New York Funds Sell as Low as 6⅜% One Day This Week

There has been a very irregular tone to the exchange markets during the past week. The reaction from the record low levels touched ten days ago has been punctuated by erratic downward movements on two or three occasions.

Local exchange men state that the partial recovery of Canadian funds during the past week has been due to a large extent to the sale of Canadian securities in New York and to the cancellation by Canadian merchants of large orders previously given to American concerns.

Though no immediately weaker exchanges are expected, it is thought that the market will not aright itself without the adoption of very far-reaching remedies, especially in view of the fact that end-of-the-year payments will shortly have to be made.

Opening quotations of the various exchanges have been as follows this week:

December 12.—New York funds opened at 9⅝. Dropped gradually to 9½, and 9⅜. Up to 9 9-16, closing strong at 9 11-16 in Montreal and Toronto.

December 13.—Funds opened at 10%. Sold in Montreal at 9 11-16. Down to 9⅝ and 9 9-16. Off at the close to 9½.

December 15.—Opening at 9½, funds sold off to 9%, 8 15-16 and 8⅞. The movement continued and the close was at 8½.

December 16.—Opening at 8½ funds sold off to 8⅜, and 8⅛. Next sales were recorded at 7¾ and before the close funds had sold as low as 7¼.

December 17. — Temporary improvement was noted in to-day's market, which opened at 7⅛. Funds sold at 7%, 6⅞ and 6⅜. Before the close, however, there was a straight jump to 8%.

December 18.—Rate at the opening was 7⅝. Up to 8%, and 8 1-16. Down to 7⅞. Close at 8%, and 8 1-16. Down to 7⅞. Close at 8% Toronto and 8¼ Montreal.

	Sterling Demand	Sterling Cables	Francs Demand	Francs Cables
Dec. 12	3.70	3.71	11.37	11.35
Dec. 13	3.66	3.67	11.32 to 11.52	11 30 to 11.50
Dec. 15	3.71	3.72	11.04	11.02
Dec. 16	3.74½	3.75	10.42	10.40
Dec. 17	3.82	3.83	10.35	10.33
Dec. 18	3.79½	3.80½	11.13	11.11

BANK D'HOCHELAGA REPORTS PROGRESS

Profits Increased by $16,000—Total Assets Over $70,000,000

The annual report of the Banque d'Hochelaga is indicative of the steady growth of this French-Canadian institution. There has been a substantial increase in the profits for the year ending November 30, while the bank's deposits also show an increase of about $10,000,000.

Profits for the year were $611,105, against $595,187 in 1918, an increase of $16,000 for the year. The percentage of net earning to the capital is 15.27 per cent. In 1918 it was 14.9 per cent.; in 1917 14.1 per cent., and in 1916 13.6 per cent.

Profits and loss compares as follows:

	1919	1918
Profits	$611,105	$595,187
Balance forward	62,959	45,021
Total	$674,064	$640,209
Less—		
Dividends	$360,000	$360,000
Pension Fund	20,000	20,000
Federal Tax	60,000	40,000
Bank Premises	50,000	50,000
Subscriptions	8,000	7,250
Reserve Fund	100,000	100,000
Total deduct	$598,000	$577,250
Balance forward	76,064	62,959

It will be noted that the usual amount of $100,000 was added the reserve fund and $50,000 was added the bank premises reserves.

Deposits now total $50,475,296, an increase of $10,000,000 over last year. Immediately available liquid assets, which include cash, cash items and Government war bonds, total $21,676,845, amounting to about 30 per cent. of the total assets which have largely increased, and about 33 per cent. of the liabilities to the public. Both of these percentages are somewhat less than last year, when they were 48 per cent. and 37 per cent. respectively.

The balance sheet compares as follows:

Liabilities	1919	1918
Circulation	$ 7,935,824	$ 7,258,049
Total deposits	50,475,296	39,588,808
Liabilities to public ..	63,448,711	49,030,854
Liab. to shareholders.	8,069,094	7,955,141
Assets		
Gold and Dom. Notes.	$ 5,693,229	$ 5,100,838
Central Gold Reserves	3,600,000	3,300,000
Cheques, bank bal., etc.	3,974,868	4,114,118
Total cash items.....	$13,271,097	$12,516,071
Securities	15,279,451	13,272,113
Call loans	5,356,711	2,397,372
Total liquid assets ..	$33,907,261	$28,185,562
Current loans	34,444,904	25,771,504
Bank premises	2,273,695	2,112,309
Total assets	$71,517,806	$56,985,995

THE FINANCIAL POST'S special analysis of the bank's position will appear next week.

PROHIBIT IMPORT OF ALL LUXURIES TO AID EXCHANGE

Continued from page 1.

real and Toronto funds caught many Canadians unawares. One Toronto manufacturer tells how he ordered a shipment of lumber from the United States to be filled to him at net, thirty days, payable in New York funds. He made allowance for the exchange premium at 4 per cent. and disposed of his shipment in Canada at what he considered would be a neat little profit. But before the end of the thirty days New York funds dropped to 10 per cent. His goods were sold and he could not increase the price-selling price; his bill still had to be paid in New York funds. The extra $800 that he was called upon to pay wiped out his profit entirely. It is not likely that this is an isolated case. There must have been dozens of similar instances.

This all shows that we are amateurs in exchange. Very few British houses would have been caught in a similar predicament. They would have made provision for exchange in reconsigning the goods, or they would have insured themselves against any unfavorable fluctuation before the date for payment of their bill. There is another way in which the British people protect themselves. Their monthly trade reports are published within two or three days of the end of the month. On the 2nd or 3rd of December the British merchant knows just how much improvement or otherwise was shown in British foreign trade in November. The figures are preliminary but they are substantially correct. If he notices that the trade balance showed signs of improvement he need not hurry to pay his bills. If, however, the month's report is very unfavorable, the wise merchant, after discounting all other factors, will hasten to pay his bills before they mature and benefit by the cash discount as well as forestalling exchange fluctuations.

Our Trade Reports Are Late

The Canadian merchant is not in a position to make allowances in this regard, however, as the monthly reports of the Department of Trade and Commerce are always several weeks late in appearing, and come out too late to be of much service in forecasting exchange conditions.

But while the exchange drop hit many merchants very hard, it has helped a number of classes of the community. A local bank manager in Toronto tells the story of one of his clients who purchased a large draft on New York at 5 per cent. two or three weeks ago. A few days later he came into the bank and asked what the current rate of exchange was. When he was told that it had risen to 9 per cent. he danced for joy to think that he had sent his money in time. However, that is a little aside. The pulp and paper companies, the gold and silver producers, the fishery industry, and others who are paid for their products in Canadian funds, are reaping a harvest these days. Other features of the exchange situation have been an increase in the purchases of Canadian securities by American bond houses, and the loss into American melting-pots of large quantities of Canadian silver coinage, both of which subjects are dealt with elsewhere in this issue.

Interest Payable in Gold?

There is another feature of the present situation that is said to be causing the authorities at Ottawa much uneasiness. Interest on Victory bonds, according to the certificates, is payable in gold, and while it is not known if any demands for gold payments have been made upon the Minister of Finance, there is no doubt that while the possibility of such an embarrassing demand exists the situation will remain very complex, for large quantities of the bonds are held in the United States, and American holders of the bonds, in order not to lose by the exchange, might demand payment of their interest in Gold—Canadian gold, which, of course would not be at a discount in New York. And Canadian bond holders might even sell their coupons in the New York market at par and benefit by the exchange. It is probable that the committee of Montreal bankers who are to interview the Minister of Finance will discuss this subject among others.

Expect Large Wheat Exports

How New York views the exchange situation can be seen from the following despatch from the resident representative of THE FINANCIAL POST in New York:

New York agents of Canadian banks do not look for any extensive gold movement between Canada and the United States as a result of the recent $10,000,000 handled in behalf of the Canadian Government by the Bank of Montreal here. While acknowledging that Canada is well supplied with gold, Canadian opinion here inclines to the belief that all Canada's gold is needed within her own borders to support her own financial structure. Recent reports here from Ottawa have stated that it is the intention of the Canadian Government to ship $20,000,000 here, but so far no official information in regard to the shipment of the other $10,000,000 has yet been received.

"On Monday of this week the embargo on wheat was lifted. While it is still too early to say exactly what the effect of this move on the part of the United States Grain Administration on the exchange situation, it is generally believed by those in close touch with the grain situation that the lifting of the embargo will attract shipments of Canadian hard wheat to the United States. There is a very serious shortage of this type of grain in the United States this year and it is stated in some quarters that as much as $50,000,000 worth of hard Canadian wheat will cross the border within the next month.

"American exporters to Canada are feeling the effects of the exchange situation very keenly and are following the progress of the Canadian exchange rate closely. Hitherto American exporters to Canada have been inclined to regard Canada, (so far as their sales departments were concerned) as a part of the United States, and the exchange question did not enter into their calculations to any great extent. This attitude towards Canadian exchange has of course, changed within the last four or five months."

Explanation of Conditions

A factor that has contributed to the drop in Canadian funds has been the currency inflation in Canada, and this phase of the question is discussed by Mr. C. H. Cahan, K.C. in an article appearing in another column. Mr. Cahan addressed the Bond Dealers' Club in Montreal this week on the question of exchange, and his remarks and suggestions are very timely. He said in part:

"In 1914, there was between Canada and the United States a trade balance of $111,000,000 in favor of the United States. We paid for it by drawing bills upon the balance of $122,000,000 owing to Canada by Great Britain, and in part, by selling our Canadian securities in the United States and Great Britain.

"In 1918, there was a trade balance of $272,000,000 in favor of the United States, as compared with a balance of $479,000,000 in our favor in England, and in the first four months of 1919, there was a trade balance of $95,000,000 in favor of the United States as against $146,000,000 in our favor in England.

"So long as England, by extraordinary methods, maintained a parity of exchange, or a rate of exchange, approaching parity, between Canada and New York, Canada was able, without great loss, to pay for her purchases in the United States.

"But England decided, in March, 1919, in her own interests, as a means of restricting her imports from the United States, and also as a means of increasing United States purchases from English manufacturers to withdraw all extraordinary support to sterling exchange, with the result that they found sterling has depreciated in New York more than 20 per cent. of its former value.

"The result is a serious loss to Canada. If during the present year Canada imports from the United States $750,000,000 of commodities, a premium of 5 per cent. will represent to Canada, a loss of $37,500,000 on such purchases, and an additional loss on all interest payable by Canada to the United States. This loss is at present concealed in the increased cost to us of coal, iron and other metals; in cotton, wool and other products of the United States which are absolutely necessary to this country, and also in the increased price of articles of luxury we purchase in the United States.

Prohibit Import of Luxuries

"It seems to me, therefore, the duty of the Government of Canada, as a temporary measure at least, to prohibit the importation into Canada, or to place prohibitive customs duties on the importation into Canada from the United States of every article of luxury, and in fact, upon every article, excepting raw materials and manufacturing supplies which is not absolutely necessary to the health and happiness of our people. It is absolutely necessary that the trade balance against Canada in favor of the United States, be reduced to a minimum.

"Another means to the same end would be the firm intention and collection of the income tax which would ensure more of thrift and loss of waste on the part of the Canadian people.

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NEWS AND VIEWS FOR MANAGERS

MOVEMENT FOR UNION OF CLERKS GAINS HEADWAY

Toronto Meeting Was in Favor of Forming a Labor Body

WHAT IS SOLUTION?

Unionizing Presents Difficulties—Employee Organizations Within Each Bank Might be More Satisfactory

Although the enthusiasm of the bank clerks for union organization was considerably chilled at the organization meeting in Montreal this week—the hall was uncomfortably cold and the lights finally went out—there can be no doubt that the movement has attained considerable headway. There was a determined spirit in favor of organization at the meeting of clerks in the Labor Temple at Toronto. The audience of about six hundred could be regarded as fairly representative of bank staffs throughout the city, and those present were practically unanimous for action. However, they no doubt went to the meeting because they were in favor of the idea. It remains to be seen to what extent they will influence the whole banking community; there are three to four times as many clerks in the city as attended the meeting.

The union officials are adopting very effective methods to reach the clerks. That is their business and they are pastmasters as organizers. There is no talk of forming a union, for instance, only an "association." The clerks are told that they do not need to lose their status as the "aristocrats of labor," but that there is no reason why just because they are "aristocrats" they should work for about half what hod-carriers are getting. Organization, they are told, can be applied to professions just as well as to laborers. The law and medicine are pointed to as professions which have been organized, while the Canadian Bankers' Association is described as a very tight "union."

As yet, only the preliminary steps have been taken and a definite policy has not been outlined. However, there can be no doubt that higher pay is the chief motive. Undoubtedly, the idea would be to advance the minimums and maximums for different classes, but it is not just clear as to how a satisfactory schedule covering experience, importance of branch, etc., could be worked out. The marriage regulation is particularly objected to in Quebec, but it was not an important issue at the Toronto meeting. The "union," as described by the organizers, would be open to practically all bank employees, although, as the Toronto meeting was told, it is hardly expected that the presidents would join.

There was considerable animated discussion at the Toronto meeting, but, for the most part, a singleness of purpose was manifest. One young lady, who wanted to know if the bankers could not join with the One Big Union, was promptly told by a temporarily discomfited official that such talk was not tolerated in the Labor Temple.

The Position of the Clerks

Bank clerks, like other salaried workers, have had many difficulties to face since the outbreak of the war owing to the rapid advance in the cost of living. Any movement which would tend to improve their position will undoubtedly be popular. It is to be seriously questioned, however, if anything can be gained by the "unionizing" process. There are a number of points to be considered in this connection.

It would be extremely difficult to classify brain workers on a definite schedule on pay to take into consideration all the local conditions in different places throughout Canada.

A definite schedule of wages would place the worker in a rut, where the present incentive in the ambition for promotion would be lacking. There would be many who would not want to be tied down to union regulations.

Then there is open to consideration the question if the banks have not been doing pretty well by their employees. There have been general advances in recent years besides bonuses, etc., which have taken into consideration the conditions prevailing. One of the leading institutions has raised its minimum from $250 to $450. In the large cities this bank also gives a living allowance of $150, and in many other cases rooms are provided for the use of the clerks. When we consider a junior clerk getting a salary of $600 a year to start, a different conception of the position of the clerk is given to that which has generally prevailed.

Of course, some of the banks may not be doing as well as this, but I believe that the clerks would do much better to endeavor to get some organization within each bank in order that they might take up their affairs with their officials through accredited representatives, rather than form a general union. In fact, in view of the present social unrest, I believe that bank officials would do well to encourage such an organization. Many institutions which are to-day successfully coping with the labor problem to the satisfaction of all concerned, have adopted the course of organizing their employees and taking up in a practical business-like way with their representatives, questions affecting wages, conditions, etc. In the great majority of cases it is found that the representatives of the employees of a company can work out a better solution with the management than can the professional agents of a union who can only hope to understand the general conditions and problems of the whole class.—J.W.T.

CHRISTMAS SAVINGS CLUBS ORGANIZED

Novel Idea Being Tried by Standard Bank at Hamilton and Windsor

A novel idea for the encouragement of savings deposits has been adopted by the Standard Bank and is being tried at the Hamilton and Windsor branches. The plan entails the organization of Christmas Savings Clubs. Such clubs have been successful in the United States, according to report, but it is yet too soon to say how well the idea is taking in Canada. The scheme, as outlined by J. S. Louden, assistant general manager, is as follows:

Briefly, the bank provides the depositor with a pass book which shows each week the amount deposited for 52 weeks. This amount may be as small as 1c or for any amount the customer desires to deposit and will bear interest for the time it remains with the bank. At the end of the year the total amount of each account, with interest, will be transferred to our regular Savings Department.

One of the conditions on which the account is opened is that the depositor will lodge every week the amount agreed upon when the account is opened. By this means the habit of thrift is inculcated, and once it is formed it becomes easy for the depositor to save money which, were there no incentive, might be wasted or spent foolishly. It is expected that the depositor will faithfully carry out the terms of the agreement, but should anything arise to prevent this being done and it is found necessary to withdraw from the Club, there will be no objection and there is no forfeit. The members of the Club have the privilege of anticipating any number of weeks by depositing the stipulated amount in advance.

Conducting the Club necessarily involves much clerical work on the part of the bank staff, but this service is cheerfully performed in order that the public may be induced to acquire the saving habit. It is specially designed to teach the young people the valuable lesson of saving and thrift.

TOTAL BRANCHES IN CANADA NOW 4,287

During the month of November the Canadian chartered banks opened forty-six new branches, while there were no branches closed. Seven of the new branches opened were by the Royal Bank, while the Provinciale and Union opened six each; Standard, Nova Scotia, and Dominion four each; Molsons and Hochelaga, three each; Sterling, Commerce and Montreal, two each; Toronto, Nationale and Home, one each.

Following is a list of the branches opened:

OPENED

Commerce.—St. Cyrille de Wendover, Que. (sub-agency to Drummondville); Marpole, B.C.

Dominion.—Harrow, Ont.; Mount Forest; Cedar Dale; Bracebridge.

Hochelaga. — Hearst, Ont.; Foleyet, Ont.; Cold Lake, Alta.

Home. — Roncesvalles and Neepawa Aves., Toronto.

Molsons. — Harrow, Ont.; McGregor, Ont.; Coatsworth, Ont. (sub-agency to Merlin).

Montreal.—St. George's Nfld.; Kingsville, Ont.

Nationale.—Robertsonville, Que.

Nova Scotia.—Todmorden, Ont.; Debec, N.B.; Doadtown, N.B.; Parkside, Sask.

Provinciale. — St. Eloi; St. Cyprien; Charette Mills; St. Canut; St. Cyrille; Sackville, N.B.

Royal.—Belleville; Sault Ste. Marie; Great Village, N.S.; Halifax; Imperoyal, N.S.; Beulah, Man.; Buenos Aires, Argentine.

Standard.—Windham Centre; Teeterville; Langton; Carlisle.

Sterling.—St. Williams; Birnie, Man.

Toronto—Ontario.

Union.—Toronto, Woodbine and Gerrard (sub. to Gerrard and Greenwood); Ruthilda (sub. to Kelfield); Dropmore (sub. to Russell); Roseisle (sub. to Carman); Hillhurst, Calgary; City Heights, Vancouver (sub. to Mount Pleasant), Vancouver.

The total number of branches at the end of November was 4,438, 4,287 of which are situated in Canada.

LONDON "MONEY TRUST" ACCUSED OF PROFITEERING

Advance in Bank Rate Made the Ground for Attack

EFFECTIVE REPLY

Developments Shown to be Consequence of Abnormal Conditions — High Rates Mean Less Profits

LONDON.—The advance in the bank rate from 5 per cent. to six per cent. and the increase in the rate on Treasury bills from 4½ per cent. on three months' bills and 5 per cent. on six months' bills to 5½ per cent. for both maturities, following so closely on the increase in the Treasury bill rate, the action of the Treasury and the Bank of England has given rise to considerable criticism and to direct charges of profiteering on the part of the big banks. The "Daily Express" directs attention to the alleged injustice being done to the depositors of the five great banks, representing £1,500,000,000 by the raising of the rates to borrowers without a corresponding increase on the rates paid to depositors. The "Express" outlines the situation as follows:

As matters stand now, these five great banks, which constitute the Money Trust, are putting a difference of 1 per cent. between the increases in the two rates into their own pockets. This difference represents an annual profit of £15,000,000 a year, or an increase of 75 per cent. on their ordinary profits. In a word, the depositor has to suffer the usual consequences of dear money, and is not getting a fair compensation of a high return on his deposit. We are of opinion that this action on the part of the banks constitutes profiteering.

In what does profiteering consist? In taking advantage of some national necessity or interest to extract from the public a higher price for goods or servives than is just or reasonable.

Now, men who advocate increases in the Treasury and Bank rates have a fair case for maintaining that dearer money might help to redress the balance of foreign exchanges and to check undue speculation at home. This is a national interest, even though the policy as a fact failed to achieve either object. But will any one maintain that the banks were entitled to take advantage of this supposed national interest to increase their gross earnings by £15,000,000 a year?

Well may the "Shoe and Leather Record" remark: "If a shoe retailer is prosecuted for charging a penny too much on the price of a pair of laces or a tin of polish, why should not banks be treated in a like manner?" Money is just as much an article of commerce as shoe laces.

Well, if the Treasury acted on the advice of the heads of the five great banks or on the advice of the dirertors of the Bank of England or on its own initiative, the responsibility is in any case its own. By raising its rates from 3½ per cent. to 5 per cent. it created the situation out of which the banks are making their enormous and unreasonable profit. No Government can take action on "general grounds" in the national interests and then wash its hands of all its responsibility for that action when distorted by private individuals into an occasion for profiteering. It is the duty of the Chancellor of the Exchequer to insist that the banks should pay their depositors the same increase in the rate of interest as they are themselves obtaining on Treasury bills.

The "Express" urges that nothing but the pressure of public opinion will urge the Government to move; the Treasury is accused of turning a blind eye on the most glaring facts in the bank world when these facts happen to be unpleasant — because the Treasury cannot see the Money Trust does not prevent its operating."

From Bank's Standpoint

On the contrary, the attitude of the banks is that the changes in rates were nothing more or less than a natural consequence of the abnormal conditions prevailing in the financial world. Charges of profiteering are described as absurd by the London City and Midland Bank, which argues that the interest of the bankers, so far as profits are concerned, lies in a rate for money considerably below that which prevails; the present situation is regarded as temporary, and the result of conditions brought about in the first place by developments in New York. Following is from the November circular of the bank:

As regards the raising of the rates in November, the Chancellor of the Exchequer has stated that the Bank Rate was raised because the Bank of England thought the step to be necessary in view of general financial conditions, and that the subsequent increase in the Treasury Bill rate was necessary if the rise in the Bank Rate was to be effective and the Treasury were to receive sufficient money from the sale of new bills. It is not unlikely that "the general financial conditions" related rather to conditions in New York than in this country, and that the movement in the direction of dearer money in London was more or less dictated by America. In any case it is to be observed that the raising of the Bank of England Rate on November 6 was preceded by an increase on November 3 in the discount rate of the Federal Reserve Bank of New York.

On the other hand, it has been suggested that the rate was raised in the hope of curbing speculation in this country, but it is hard to subscribe to this view as, contrary to the American experience, speculation has been carried on for the most part for cash and not with borrowed money. Others suggest that the Bank Rate was raised merely as a formal preliminary to or excuse for the raising of the rate on Treasury Bills because the small sale of bills in the few days immediately preceding November 6 involved recourse to the Bank of England for accommodation, and alarmed the Government.

This suggestion does not commend itself. It is hard to believe that the Treasury would be influenced so readily by a temporary incident easily explained. If it were carried to its logical conclusion the suggestion would imply that the Government thought that they would get more money by competing with trade at a higher rate than 4½ per cent. without taking account of the fact that while the rate of profit earned in trade is large, 5½ per cent. would give the Government no better chance of success of obtaining money in competition with trade than the previous lower rate of 4½ per cent. The statements made in some quarters that the increases have been engineered by the banks are absurd. The interest of the bankers, in so far as profits are concerned, lies in a rate for money considerably below that obtaining at the present time.

The British Government is laying plans for a reorganization of the banking system of India. It is proposed to establish a central institution similar to the Federal Reserve Banks in the United States, which will issue notes, supervise the money market, and handle the finances of the Indian Government through a branch in London.

THE ROYAL BANK OF CANADA

The Royal Bank of Canada

GENERAL STATEMENT

29th NOVEMBER, 1919

LIABILITIES

TO THE PUBLIC:		
Deposits not bearing interest	$159,656,229.68	
Deposits bearing interest, including interest accrued to date of statement	259,465,169.69	
		$419,121,399.37
Notes of the Bank in Circulation		39,837,265.74
Balance due to Dominion Government		14,000,000.00
Balances due to other Banks in Canada	$ 13,970.88	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	7,449,852 42	
		7,463,823.30
Bills Payable		806,776.89
Acceptances under Letters of Credit		16,467,978.69
		$ 497,697,243.99
TO THE SHAREHOLDERS:		
Capital Stock Paid up		17,000,000.00
Reserve Fund	$ 17,000,000.00	
Balance of Profits carried forward	1,096,418.74	
		18,096,418.74
Dividends Unclaimed	8,203.08	
Dividend No 129 (at 12 per cent. per annum), payable December 1st, 1919	505,219.12	
Fiftieth Anniversary Bonus of 2%, payable December 20th, 1919	340,000.00	
		853,422.20
		$533,647,084.93

ASSETS

Current Coin	$ 17,653,879.92	
Dominion Notes	26,735,724.00	
United States Currency	8,746,805.00	
Other Foreign Money	2,545,138.41	
	$ 55,681,547 33	
Deposit in the Central Gold Reserves	24,500,000.00	
Notes of other Banks	3,464,200.00	
Cheques on other Banks	23,757,240.33	
Balances due by other Banks in Canada	17,103.80	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	18,101,373.08	
Dominion and Provincial Government Securities, not exceeding market value	45,323,598.66	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	33,400,542.77	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	19,414,891.06	
Call Loans in Canada, on Bonds, Debentures and Stocks	16,435,614.30	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	33,812,751.53	
		$273,908,862.86
Other Current Loans and Discounts in Canada (less rebate of interest)	$143,259,518.47	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	90,210,271.33	
Overdue Debts (estimated loss provided for)	365,089.66	
		$233,834,879.46
Real Estate other than Bank Premises		1,495,271.00
Bank Premises, at not more than cost, less amounts written off		7,016,444.12
Liabilities of Customers under Letters of Credit, as per contra		16,467,978.69
Deposit with the Minister for the purposes of the Circulation Fund		750,000.00
Other Assets not included in the foregoing		173,648.80
		$533,647,084.93

H. S. HOLT, President — EDSON L. PEASE, Managing Director — C. E. NEILL, General Manager

AUDITORS' CERTIFICATE

WE REPORT TO THE SHAREHOLDERS OF THE ROYAL BANK OF CANADA:

That in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

That we have checked the cash and verified the securities of the Bank at the Chief Office at 29th November, 1919, as well as at another time, as required by Section 56 of the Bank Act, and that we found they agreed with the entries in the books in regard thereto. We also during the year checked the cash and verified the securities at the principal branches.

That the above Balance Sheet has been compared by us with the books at the Chief Office and with the certified returns from the Branches, and in our opinion is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank.

That we have obtained all the information and explanations required by us.

JAMES MARWICK, C.A.,
S. ROGER MITCHELL, C.A.,
of Marwick, Mitchell, Peat and Co.
W. ROSS, C.A., of P. S. Ross & Sons
} Auditors.

Montreal, Canada, 18th December, 1919.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1918	535,757.1[illegible]	
Profits for the year, after deducting charges of management and all other expenses, accrued interest on deposits, full provision for all bad and doubtful debts and rebate of interest on unmatured bills	3,423,264.34	
		$ 3,959,021.53
APPROPRIATED AS FOLLOWS.		
Dividends Nos. 126, 127, 128 and 129 at 12 per cent. per annum	$ 1,866,196.50	
Fiftieth Anniversary Bonus of 2 per cent to Shareholders	340,000.00	
Transferred to Officers' Pension Fund	100,000.00	
Written off Bank Premises Account	400,000.00	
War Tax on Bank Note Circulation	156,406.29	
Balance of Profit and Loss carried forward	1,096,418.74	
		$ 3,959,021.53

RESERVE FUND

Balance at Credit, 30th November, 1918	$ 15,000,000.00	
Premium on New Capital Stock	2,000,000.00	
Balance at Credit 29th November 1919		$ 17,000,000.00

H. S. HOLT, President — EDSON L. PEASE, Managing Director — C. E. NEILL, General Manager

Montreal, 18th December, 1919

THE FINANCIAL POST

Members of the Audit Bureau of Circulation.

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Manager - - - - - GORDON RUTLEDGE
Editor - - - - - - - J. W. TYSON

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TORONTO, DECEMBER 20, 1919

AS TO CLASS LEGISLATION

WHILE the leader of the U.F.O., now Premier of the Province, is declaring with all emphasis that nothing could be further from the minds of the Government than class legislation, the head of the Federal political movement of the farmers is advocating a platform that will mean a general upheaval of the present order of things in the hope of benefiting the agricultural community. We are inclined to think that the real attitude of the dominant element in the Farmers' movement is indicated by Mr. Drury rather than by Mr. Crerar. The former in power can employ different tactics to the latter in seeking votes. Mr. Crerar and such Western papers as the *Grain Growers' Guide* are playing at politics when they talk of the entire abolition of the tariff. It is not that Governments would not like to pass class legislation, but Parliament is elected by the will of the people and the interests of the whole community must be considered.

If Mr. Crerar ever leads the Farmers' party into power at Ottawa, he will find that framing a budget is an entirely different matter to making stump speeches. The Government must have revenue and the tariff abolitionists have yet to make any practical or sensible suggestions as to how the money could be raised if customs duties were cut off. There is only evident a willingness to try to work out some scheme by which an increasing share of the tax burden would be borne by the urban citizens and business interests, but "passing the buck" will not solve the problem.

The necessity for a competent commission to inquire into the whole tariff question becomes more and more evident. There is some objection to this idea in the West, but it lacks the ring of sincerity, the argument being that it would take the matter out of the hands of the Government. Nothing of the kind. The commission would be an advisory body to the Minister of Finance to interpret to him the various interests involved. It would represent labor and agriculture as well as manufacturing and would be an entirely different body to the Board of Commerce.

In view of the general conditions of unrest prevailing it is fortunate that the Board of Commerce is not to conduct a tariff investigation. The methods of that body would only excite public opinion by bringing to light that the tariff is a factor in the cost of living without showing the benefits to the whole community.

LABOR MUST EARN ITS REWARD

THE high ideals established for labor in its relations with capital at the International Labor Conference were this week described by Hon. N. W. Rowell, Dominion Government delegate, to the Toronto Canadian Club. Undoubtedly this conference took some long strides forward in the improvement of the theoretical status of the great mass of the people of the leading world nations. One gathered from the presentation of the proceedings by Mr. Rowell, however, that what was done was done in the spirit of concession—as though the eight-hour day were a gratuity from the Governments embraced by the League of Nations.

This is approaching the question from the wrong angle. If the eight-hour day is granted on such a basis only, it will eventually prove the downfall of the International Conference. The wages returned to labor can only be in accordance with the product of labor. If the workers as a whole cannot produce in eight hours sufficient to provide satisfactory wages as their share of the product of that eight hours, then there is only one logical conclusion—that some portion of the workers at least, if not all, must work longer hours or take reduced wages. This is a natural law which all the social physicians in the world cannot upset.

It remains to be seen whether this experiment of eight-hour production will serve to supply the world with sufficient goods. The present indications are that the supply is getting shorter and shorter while prices are advancing as the result of the higher cost of labor on the one hand, and the competition for goods, backed by war-time accumulation of money, on the other. Machinery and organization will help, but these are only an aid to labor—they cannot hope to supplant it—and the increasing cost of plant as an overhead charge grows still greater with the reduction of the hours of operation.

The eight-hour day on the farm, the members of the Dominion Grange were told in Toronto this week by Grange Master Dixon, would mean wheat at $5.00 the bushel, butter at $1.00 the pound, and other prices that would "jar the Canadian people back to a level of commonsense." Mr. Dixon exaggerated, deliberately no doubt, but there can be little doubt but that a further shortening of hours of agricultural labor would prove a serious deterrent in relation to the production of foodstuffs, and if this could not be made up by the use of machinery and more efficient methods there would be a shortage which would serve to drive prices higher. And not only would people be forced to pay these prices, but they would soon find that even ascending prices would not serve to procure non-existent products—manufactured as well as agricultural. They would face a situation where necessity would absolutely force greater production and the question of hours of labor could not be set by an international conference or any other convention of high-minded reformers. The present situation as regards prices and supply should be a warning as to where these tendencies may be expected to lead.

On this point some interesting figures have been prepared by the United States Bureau of Labor Statistics in regard to wage and cost-of-living increases since 1913. The average wage increase is calculated at 75.9 per cent. against a 75 per cent. increase in living costs. This indicates how wages and cost of living have kept pace with each other; to reduce hours would only tend to reduce production and increase the cost of living.

THE FINANCIAL POST believes that the solution of the problem of capital and labor lies close to the heart of each individual industry, if not, in fact, of each manufacturing plant. Let representatives of the workers and representatives of management and the investors get together and, putting their cards on the table, talk over means of attaining efficient production and the successful conduct of the establishment on a sound financial basis for their mutual benefit. That is how the industrial concerns which are to-day operating most successfully have met the situation. When the workers are convinced that they are getting a fair share of the profits of their product and that they have a reasonable say in the control of the conditions under which they work the chances of serious discontent are reduced to a minimum.

Bolshevism—social unrest—i sthe greatest menace in the world to-day and bolshevism can be counteracted most effectively by appealing to the commonsense of the workers and their conservative leaders and satisfying them individually that they are getting a square deal.

U.S. LABOR AGAINST PUBLIC OWNERSHIP

THE public ownership programmes of the Provincial and Federal Governments in Canada have been made possible very largely by the backing of labor. Sir Adam Beck, for example, has constantly appealed to the working men to support his ventures on the ground that they were the projects of the people as opposed to those of the capitalists, leading the voters to believe that they would reap the benefits now going to investors in the shape of dividends. That the capital involved is being raised at interest rates very little below the returns sought by capital invested in public utilities and that the difference could be easily wiped out—wiped out many times in fact—by the inefficiency which has always devoloped in the administration of Government enterprises has always been ignored.

This confidence in the benefits of public ownership is not shared by labor in the United States to judge by the "Indianapolis Union," the oldest labor paper in the Union. It is strongly against the nationalization of the American railways as suggested under the Plumb plan, feeling that an inefficiency operated, politically controlled transportation system would result in a financial situation "which might overwhelm us." We quote:

> "We know—every man of us knows—that there isn't a city hall or court house or other government centre in the country that is not managed in such fashion as would bring an institution not backed by the public purse to bankruptcy in short order. What guarantee have we that a Government controlled railroad system, backed by a political machine operated by votes, would be free from the evils that are common to all Government controlled organizations—except the army and navy, which has no vote? Why, the country would be pracaically at the mercy of such a machine. The labor, as a whole, would pay the freight on a politically framed tariff that might overwhelm us. Organized labor cannot afford to indorse the Plumb plan."

EDITORIAL NOTES

HOW is it that a political party organized by and for one section of the community immediately repudiates all thoughts of class legislation when it obtains control of the Government? We must admit that we are thinking of the U.F.O. in this connection.

* * * *

GALT manufacturers complain that it takes them three days to get letters from Toronto. Yet there are public ownership enthusiasts who regard the post office system as the ideal for public service because it eliminates all competition; they believe the same principles should be applied to the railroads.

* * *

FOLLOWING the success of the last Victory Loan, which is subject to income taxation, it is being pointed out that previous issues would likewise have been successful on a similar basis. It is never difficult to find people who are wise after the event. We believe that the non-taxation policy was the proper one under the conditions prevailing at the time it was followed.

* * *

CHRISTMAS shoppers are spending $165,000,000 a day for luxuries in the United States, according to Government experts. This is likely to be the most extravagant Christmas in history. The holiday problem of the merchants is to supply the demand rather than to sell their goods. Retailers and wholesalers' shelves will be pretty bare when Santa Claus gets through.

* * *

BEFORE the Toronto Canadian Club this week, Hon. N. W. Rowell drew great applause when he said that Canada should not wait for the United States to establish an eight-hour day, because Canada had not waited for the United States to enter the war. One would expect that the President of the Privy Council before an intellligent audience would have sufficiently strong arguments to support the Government's policy at the Industrial Conference without appealing to petty patriotic prejudices.

* * *

THE success of the aeroplane as a factor in forest fire fighting has been proven by the experience of the St. Maurice Forest Protective Association in co-operation with the Quebec Government. The Hearst Government decided against the aircraft patrol in Ontario as being too expensive. The Farmers' Government will have an opportunity of proving its progressiveness by its policy for the protection of life and property in Northern Ontario.

THE "INDUSTRIAL DEMOCRACY" PLAN SOLVES LABOR PROBLEMS

Continued from last week.

This policy consists of four corner stones and a cap stone. Each of these I explained at a separate meeting and had those present—practically the entire organization—vote whether they would accept it. The first stone was justice; and after I had told how I wanted that to be understood, I offered this resolution and asked if they would pledge themselves to it:—

> We, the employees, officers, and directors, recognizing that justice is the greatest good and injustice the greatest evil, do hereby lay and subscribe to, as the first corner stone of our policy, this greatest of all good—
>
> **Justice**
>
> The fullest meaning of this word shall be the basis of all our business and personal dealings—among ourselves as individuals, between our company and those of whom we buy, and between our company and those to whom we sell.
>
> Justice shall be the first corner stone upon which we agree and determine to construct broader character as individuals and broader commerce as an institution.
>
> We recognize that justice to ourselves necessitates taking advantage of every opportunity to do the best that is in us, and each day improve that growing ability.
>
> We realize that merit must be recognized whether in ability or in merchandise. With this assurance, we cheerfully, hopefully, and courageously press forward to certain and unqualified success."

When they had listened to my talk and heard the resolution, they were interested—but cautious; just as I wanted them to be. They began to talk it over among themselves, and to ask me questions, especially as to whether it meant what it said or was only a lot of bunk. Finally, and seriously, they pledged themselves to it and the meeting adjourned.

I had explained that things would go on just as before until the whole policy had been submitted and adopted. But it is a fact that during the week which intervened before the second meeting a change began to show itself in the spirit of the plant. Men were thinking, and not about themselves alone, but about their relations to one another, and about the obligations they had taken upon themselves to be just in all their dealings.

The story is too long to be told here in detail. But at the four succeeding meetings we adopted unanimously the other corner stones: Co-operation, economy, energy, and the cap stone, service.

Occasionally, as often as is possible, I like to go back to the Packard shop; I like to go to any shop where there is a real spirit at work. Do you realize what it means to have that spirit in an organization? Do you know that it isn't a theory but a living and powerful fact, that this world is tired of mere hand work, surfeited with mere head work? That it wants to have the heart added to the work, and absolutely demands that the spirit of a man be hereafter put into his job? That is what happened in the Packard plant.

The organization was not a large one; there were less than three hundred employees. I explained to them, after the policy was adopted, that we were going to run the plant together in the future; that we would have weekly meetings to discuss ways and means; that nobody was to go around nursing a grievance, but was to bring his complaint before the whole bunch and get the matter settled in open meeting; that nobody could be fired for what he said in meeting, unless the crowd itself said so.

And I also told them what is, of course, a fundamental fact of the plan, that they were going to save money to the business under the new regime, because they would inevitably get more work done; and that they were going to receive their share of the money saved in the cost of manufacture. The books of the company would be open and the employees would get half of the amount saved. This would be distributed every two weeks as a dividend on wages.

A man must be a wonderfuly unselfish altruist to be willing to put his whole soul into saving money solely for somebody else. On the other hand, he must be a plain bonehead if he is not only willing, but eager, to work to save money for himself. And the average workman is decidedly not a bonehead.

Effect of Profit-Sharing

The very day that I told the crowd about the dividend on wages, six men went to the president and said that five of them could do the work of their gang. They all knew this; but naturally none of them wanted to lose his own job or to put one of the others out of his. Right then and there the policy began to work. The president found a department that needed an extra man, the unnecessary worker in that gang was transferred, and the saving process started.

In the first month the cost of production was cut more than five per cent., and the men got their share. The saving increased in the succeeding months. They accomplished this because they were working with a will, and because they were putting their minds into devising schemes for improving methods, even inventing new and more efficient machinery and tools.

The net result was that they increased their efficiency to the point where one hundred and sixty-eight men were doing more work and better work than had been done previously by two hundred and sixty-eight men! The men made more money, the company made more money, the factory turned out a better product, and everybody was happy.

Handling Foreigners

You probably will say that these men were a superior class of workmen, and that the plan would not succeed with a less highly trained and educated group. I am not going to draw comparisons, in this respect, between different sets of employees; but the system has been tried in so wide a range of industries that I know this objection has no basis in fact.

Two years ago we put the system into the William Demuth & Company pipe factory at Brooklyn Manor, Long Island. All told, there were about nine hundred employees in the plant, half of them Italians, a quarter of them Poles, and the rest a "mixed grill" of more than twenty nationalities.

When I went and tried to talk to them most of them didn't understand enough English to know what I was saying. Even those who could understand me listened without taking any stock in what I proposed. They thought it was some new kind of hoax.

However, in a half-hearted fashion they adopted the four corner stones and the cap stone of the policy I tried to explain to them. But I know they thought I was trying to "put something over" on them, and they were chiefly concerned in figuring out what it would prove to be.

Insensibly, however, they worked with more thought and interest, with the result that at the end of the first two weeks we were able to distribute a dividend. That made them sit up and take notice! You cannot blame them for that. Abstract talk about theories does not count with anybody a hundredth part as much as some tangible evidence that those theories will work. That first dividend was tangible evidence to the Demuth employees that co-operation was something more than a long, hard word.

For example, about that time an Italian holiday came along; and, as usual, the workers from sunny Italy stayed away to celebrate. At the next meeting of the house of representatives it was announced—by the workers, remember!—that, because of that Italian holiday, the dividend would be only 12 per cent. instead of 15 per cent. This meant that a man earning $20 a week would get a $2.40 dividend; but that he would have received one of $3 if the Italians had stayed on the job.

Nobody would have kicked about that holiday if the company alone had lost by it. But when half the workers were the losers too, the question became a personal one. In this case—and it is the same in very many others—the first consideration which made the plan appeal to the employees was self-interest. That is perfectly legitimate. But, also, in this case, as in others, the spirit of justice and of fairness to all came later. And there came, too, the mental awakening which is so important and so astonishing.

The question of piece rates was a complicated one, and the source, therefore, of some dissatisfaction. A certain group complained that their rates were unfair, and gave their reasons. Under the old system the foreman would have handled this complaint; and as foremen are generally considered by workmen to be their natural enemies, the chances are that, whatever the foreman's decision, it would not have given satisfaction.

Under the new system, this group had a representative in the house, and he presented the complaint to that body. A committee was appointed to investigate the matter. They presented a clear and intelligent report with recommendations. A bill covering the case was passed by both house and senate, and approved by the cabinet. The men affected accepted the decision gladly; first, because they knew it was based on a careful investigation, in the course of which they had been able to present their side of the case; second, because that investigation had been made by their fellow-workmen; and, third, because it gave them a sense of security for the future.

At another time there was trouble in the patching department, where the workers were Italian women with very excitable temperaments. Just as an example of how the house of representatives works, here is an extract from the minutes of a meeting after the house had investigated the trouble. The "Mr. Smith" referred to was the foreman in that department. The extract reads:

> "Mr. Smith may have been a good piece-worker, but he is not any good as a foreman. The house of representatives therefore recommends that Mr. Smith be given an opportunity to work in some other department, not as foreman, because we consider that he is not a profitable foreman; that in his place there should be put a new foreman of the patching department. We recommend Mr. Trunk, and we, the members of the house of representatives, hereby guarantee to him our full support and co-operation to aid him in making that department a success."

That action by the house had a salutary effect.

Foreman's Position

Every workman hates to get the ill-will of his foreman. Before this incident the men and women had been afraid to complain of their foremen; and even if they did risk going to their representative the latter hesitated about bringing the matter before the house, lest it get him into trouble.

But when that body took the bull by the horns and recommended the removal of an incompetent man, it cleared the whole situation. It put "the fear of God" into the hearts of the foremen; and at the same time it really made the workers more tolerant of the men over them. Because it is simple human nature to be more easy in our judgments of conditions, when we know that we can escape them if they become too bad.

Under the new regime, work became better in quality, and at the same time the output increased. The previous record of one department had been 25 gross of pipes per week, with three men working. Under the new system ten men turned out 50 gross per day. A single worker beat all records, with 240 gross of pipes in one week! The factory had been on a basis of fifty-three hours a week. It was reduced to a fifty-hour week and the output went up ten per cent.

Workers Co-operate

One dramatic example of what workers can accomplish when they have an incentive—mental and spiritual as well as financial—is to be found in the Shelton Looms of Sidney Blumenthal & Company, at Shelton, Conn. This company, which manufactures velvets, had suffered an annual waste because of the large amount of goods turned out with defects which made them rank as "seconds." The company does a business of approximately $10,000,000 a year. But, nevertheless, the loss on defective goods, which, if perfect, would have been valued at $500,000, was worth considering.

There were eighteen hundred employees, more than a third of them speaking little English, and very many not speaking it at all. Workers in their line were in demand at high wages, so they would quit on the slightest provocation, or on none at all. It does not sound as if this was fertile soil for Industrial Democracy, does it? But if I could tell here the whole story of what happened in that factory after the system was introduced, I think it would tax your powers of belief.

They began a systematic, scientific attempt to improve the quantity and the quality of their production. And by "they" I mean the workers. The minutes of the meetings of the house are to me more interesting than any novel. The way those men and women dug into facts, the way they analyzed conditions, the way they worked for justice to their fellow-employees, and to the company, is one of the finest things I ever knew.

It proved to be comparatively easy to increase production; but this brought them against a very decided snag. They found that a man might be a one hundred per cent. man on quantity, but be turning out a large amount of defective goods. Another worker, who was a ninety per cent. man, produced more perfect goods, but he was dissatisfied because his very carefulness about quality cut down his output, and so reduced the amount he could earn.

They kept on investigating and analyzing until they finally worked out what they called a quality bonus. Weavers were to receive the same piece-work prices as before. But for a perfect piece they get a bonus of 20 per cent.; for a piece with one defect, 15 per cent.; with two defects, 10 per cent.; with three defects, 5 per cent.; and if a piece had more than three defects they received only the flat rate.

They did not fix the amounts of these bonuses by guesswork. They figured the thing out intelligently and carefully, in a way which would have done credit to a trained efficiency engineer. When the suggestions were finally passed and accepted the improvement was immediate. Furthermore, while the quality went up the quantity did not go down. On the contrary, it steadily increased.

In the Nation's Cause

Last winter twenty-eight thousand silk workers in Paterson, New Jersey, were on strike, and an appeal was made to the War Labor Board to try to settle it. Here is a copy of a telegram sent to the board by the employees of a certain mill when this action became known:

> "The War Labor Board,
> "Washington, D.C.
> "Honorable Sirs: We, the Congress of B. Edmund David, Inc., representing all the people of this silk mill, and operating as an Industrial Democracy, respectfully advise you that the relations between employers and employees in this plant are satisfactory, and that we have not now, nor can we conceive of, any conditions that we cannot adjust to our mutual satisfaction. We further respectfully offer our full co-operation to you, and wish you to know that we will be an aid, and not a burden, when you take up your work in the silk industry of this city."

This telegram was signed by the speaker of the house, the president of the senate, and the chairman of the cabinet. Industrial Democracy had been installed in that plant only a few months; yet it was the only silk mill in Paterson which did not have a strike. And not only were its own employees willing to go on working, but the strikers themselves said: "Keep the B. Edmund David plant going!"

Here is a letter I received a few months ago from Mr. I. W. England, president of the Passaic Metal Ware Co., of Passaic, New Jersey. Industrial Democracy was introduced into his plant about a year ago.

> "Dear John: The enclosed is perhaps the finest example of the true spirit of Industrial Democracy which has come to light in our shop or perhaps in any other shop.
>
> "Our machinists inform us that a move is on foot in this locality to call a universal strike for a forty-four-hour week; and our machinists voluntarily, and without suggestion from anyone, have met and gone on record publicly and furthermore, pledged themselves to refrain from joining in any such movement, and to stick on the job with thorough satisfaction under the existing conditions; for, as they have expressed it, if the forty-four-hour schedule becomes general, and on a basis which does not place our organization at a disadvantage, they know that they will obtain the same advantage under Industrial Democracy without strike or friction of any kind, but as a simple matter of justice.
>
> "It looks to me as though some of the other Industrial Democracies will have to travel some to keep within gunshot of the good old bunch at the Metal Ware."

That letter has the right ring, the true spirit. There is no self-congratulation on escaping trouble; no superior tone of patronage; but a man-to-man pride and a sort of comradely satisfaction in "the good old bunch" that stood by the company.

I do not pretend to say that Industrial Democracy is the only way to solve the problem of industrial relations. I do believe that it will work when it is given an honest, consistent, and whole-hearted trial. Some employers are experimenting with a sort of modified Industrial Democracy; trimming off something here and giving it a new twist somewhere else. The result may be a good plan. I cannot say about that. But it is not the Industrial Democracy with which I have had experience. I rather wish they would pick out another name for it. To use an old saying, I wish they would make it a case of "whole hog or none."

United States and Great Britain have resumed heavy trading with Germany since the signing of the armistice. Exports from United States to Germany for the first ten months of year totalled $52,420,095, and imports from Germany $4,914,787. Great Britain, from the signing of the armistice to Oct. 31, exported to Germany goods valued at more than $80,000,000, and received imports from Germany valued at $1,087,000.

Eight hundred and fifty-three new companies, with authorized capital of $100,000 or over, were organized in November in the United States, with an aggregate capital of $1,341,447,500, an increase of more than 923% over November, 1918.

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Company's net excess of liquid assets alone amounts to over $115 per share on this preferred issue.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

CANADA STEAMSHIPS

Inquirer—Would you suggest selling Canada Steamships at the present market and placing the proceeds in some other security?

You ask whether you should sell Canada Steamships at current prices. We presume you mean the common stock. We believe that the fact that this goes on a 7% basis for next year and that the earnings promises to continue up to the high level of 1919 and 1918, if not to increase, make it reasonably certain that the common stock will reach a considerably higher level than the present market price. You are getting a good return on it with a 7% dividend and we think that it would probably be in your interest to continue to hold it for some time to come.

SOUTHERN CANADA POWER

Reader—Would be glad to have your opinion of the position and outlook of the Southern Canada Power Company.

At the present time Southern Canada Power common must be regarded as a speculative stock. By that we mean that at the present stage of the company development it would be impossible for anyone to decide whether dividends should be paid on the common stock and when they are likely to be paid. The company has been extending its distribution of power and building new plants in a very important district in Quebec Province, and the present year, which ended on September 30th last, will show a considerable increase in net earnings over those of any previous years. But with a power company like this the development stage covers a good many years and on this account an arrangement was made by which the preferred stock would not begin paying a dividend or be cumulative until after the first of January, 1920. There is only $250,000 of this preferred stock and at 6% it would take only $15,000 a year to cover the dividend, so that it seems probable that the payment of the preferred dividend will be started at no distant future. The common stock issued amounts to $3,000,000 and it may be several years before the company will be able to start payment on the common stock.

TUCKETT'S TOBACCO

J.F.T., Quebec—I shall be glad if you will kindly let me have your opinion of Tuckett Tobacco common stock. Would you consider it a good speculative buy at the present price? Are they likely to pay a dividend on the common soon, and if so, what rate do you suppose they will pay, and when do they hold their annual meeting?

We would regard Tuckett Tobacco as a fair business man's investment with speculative possibilities. The recent advance has been accompanied by reports of an amalgamation with, or absorption by, American interests, but the price of the common, which went as high as 60 and better has dropped back considerably, although of late renewed strength has been indicated. Definite information regarding these reports is not available, nor is there anything of an official character to be had regarding dividend possibilities.

Apart from present conditions the company appears to have a good outlook from the standpoint of a market for its products, and with that capable and efficient management which is warranted by its board of directors, good profits should be maintained. Last year the company earned 6 per cent. on its $2,000,000 of common stock after paying $140,000 in dividends on the preferred.

It shouuld not be forgotten, however, that tobacco concerns share directly in general prosperity, and that at the present time the purchasing power of the public for luxuries is very high. As to how long it will continue so is a question, in reply to which many answers are heard.

LOEW'S THEATRES

A.G.Y., Toronto—Will you please advise whether you consider Loew's Buffalo Theatres 8 per cent. cumulative preferred stock, offered by Graham, Sanson & Co., a good proposition into which I can invest about 25 per cent of my savings, by taking up a block on the instalment plan.

While we are not in a position to speak of local conditions in Buffalo and the prospect of the success of the Loew's Theatre project there, past experience has shown that this company has used excellent judgment in placing its theatres, and has, as a general thing, been very successful. There would appear to be no reason why the same should not be the outcome in this case. Of course some consideration should be given to the fact that building costs are now much higher than they were when many of the theatres were constructed, and charges on building account will therefore be much larger against proceeds. Then, too, there is the point that this form of entertainment, which is now very popular with the public, may not continue to hold that popularity. However, prosperous business seems to be reasonably assured for an indefinite period, and the management of these projects has shown an ability to analyze public demand in regard to entertainment and should be entitled to reasonable confidence in meeting any developments which may take place.

C.N.R. DEBENTURE STOCK

H.L.D., Nova Scotia—Will you please give me your opinion of C.N.R. 5% convertible, debenture stock as mentioned in your enquiry column on November 22.

The position of C.N.R. 5 per cent. convertible debenture stock is that it is dependent upon profits for dividends. It would, in our opinion, seem extremely doubtful that a dividend will be paid under the conditions which will prevail with Government management. The policy of the Government is likely to be that it is not desirable for a publicly-owned system to make profits, and that these should be distributed to the customers by way of reduced rates or by maintaining low rates. The position of the purchaser, therefore, is that he will get par for his bond when it expires but it is doubtful if he will get any interest.

SAXON MOTORS

R. G., Saskatchewan—You would do me a great favor if you could give me your opinion as to the financial standing of the Saxon Motor Corporation. On August 15, I bought 50 shares of the above stock on which I paid 15%. I paid 26 1-8, now the stock is worth only $13.50. Kindly let me know what is the best thing for me to do? Do you think there will be a rise in the stock shortly?

We would advise you to hold this stock if you can. All the motor stocks were hard hit by the coal strike, and most of the plants have been partially or entirely shut down for four or five weeks. The effect of this shutdown following the general collapse of the speculation that was rampant in New York until five weeks ago has been to send all the motor stocks to very low levels, Saxon among them.

Many observers look for a better market after the turn of the year, and if this transpires Saxon Motor stock should recover much of its loss, while for a long "pull" it is quite probable that the stock will prove a good investment for you.

MONEY AND EXCHANGE

W. G. M., Toronto—What is the difference between the open discount market in London, and the discounting done through the English banks? When the Bank of England rate is 5 per cent. most of the English banks are lending money at one-half per cent. above the bank rate or 5½ per cent. It is generally recognized that an adverse trade balance is the main cause of an adverse rate of exchange? Will you explain what is meant by the term "bank acceptances," such as are now being dealt in in London and New York?

The so-called discount rate is not available to every trader on the street, and anyone could not obtain cheap money in the discount market. When banks discount bills they often rediscount them with the discount houses, and as the discount houses have the double guarantee of the bank and drawee behind them the rate they charge for the use of their funds is much lower. The bank rate is in reality determined by money rates set by the discount houses, and is always set at somewhat higher figures.

The bank rate was set at 5 per cent. in April, 1917, and remained at that figure until November 6, last, when it was raised to 6 per cent. The rate was marked up because the discount rate had gradually been strengthening. For two and a half years it had hung around 3½ per cent., but gradually rose until, on November 5, it was 4⅝, when the bank rate was raised. The discount rates have continued to rise, and as they are, at the time of writing, about 5¾ per cent., there is a possibility of the bank rate going to 7 per cent.

Bank acceptances is the term applied to bills drawn on and accepted by an individual, discounted by a bank and then rediscounted by the bank in one of the discount houses. They are documents subject to the discount rate.

Trade balances are theoretically adjusted by the shipment of gold from the debtor to the creditor country. Thus, under normal conditions, the rate of exchange should not deviate except as the actual cost of transmitting the metal. Under war conditions, and since, however, the nations of the world have been holding their gold and other means of adjusting trade balances are necessary. But there may be cases where a nation would rather make some other arrangement than take more gold, and sometimes this can be worked out through a third nation. The tendency of exchange is of course to reduce imports on the part of the country with the adverse balance. Apart from the shipment of gold and the effect on trade and other factors in the adjustment, are credits, liquidation of securities, etc. For instance, between Canada and the United States at present there is not only a tendency to reduce our imports but there has been considerable liquidation of Canadian securities held in the States and payable in New York. Then there is no doubt a lot of deferred liability in the hope of an improved rate while American concerns with branch plants in Canada are, in many cases, allowing profits made in this country to accumulate here. This latter, no doubt, was an important factor in relation to American investments in the recent Victory Loan.

A QUESTION OF EXCHANGE

W. A. D. Toronto—I purchased a house in Toronto through a local agent, last July, from an owner living in Detroit, but formerly of Toronto. He holds a mortgage which was made in Toronto and reads, as the usual Canadian mortgage does, payable in lawful money of Canada. When the first payment comes due in Jan. 1920, should I send a draft on Detroit, and pay the exchange here, or send a draft on say Windsor for the amount in Canadian money?

In our opinion, if the mortgage reads that the obligation is payable in the lawful money of Canada it means just exactly that. Therefore, the loss which the holder of the mortgage may suffer in transferring his funds from Canada to the United States is something which he must face. No doubt he would not consider it at the time but this was one of the actual factors in the mortgage. Your obligation ceases when you pay the money in Canada.

PERSONALS

FRANK A. VANDERLIP, who recently resigned as president of National City Bank, has found influence of powerful and rich friends inadequate to obtain for him in financial district offices suitable for corporation he is organizing, says the New York *Sun*.

H. H. HANSARD, who has been made a director of the Grand Trunk Pacific Railway by the Dominion Government, joined the staff of the Grand Trunk Pacific Railway as assistant solicitor in 1911, and afterwards became solicitor at Winnipeg. After graduating from Oxford University he was called to the New Brunswick Bar in 1894 and in 1913 to the Alberta and Manibota bars. After practising at St John, N.B., for some years he was appointed law clerk in the Railway and Canals Department at Ottawa, from which position he entered the service of the Grand Trunk Pacific.

W. P. HINTON, vice-president and general manager of the Grand Trunk Pacific Railway, who has been appointed to the board of directors by the Dominion Government, has had a long career of activity in the transportation world. Mr. Hinton first entered railway service through the Canada Atlantic Railway in 1887. He remained with the company until it was absorbed by the Grand Trunk in 1905, when he became general agent of the passenger department at Ottawa. In 1907 he went to Montreal as general passenger agent and was transferred to Winnipeg in 1909 in the same position. In 1917 he took over the vice-presidency and general managership of the road.

CHARLES R. HOSMER had a rather unusual experience one day this week, of being present at meetings of companies where in the one case a dividend was increased from 6 per cent. to 7 per cent., owing to the exceptional prosperity of the company, and in another case where after declaring a regular dividend at the rate of 12 per cent. per year, the directors went on to consider the splitting up of the common stock on a three for one basis. The first was Canadian Cottons, a very successful textile company of which Mr. Hosmer is President. The second was one of the leaders in another prosperous group of Canadian industries, the Laurentide Company, of which Mr. Hosmer is vice-president. It may not be very long before he will preside as president of the premier company in a third line of industry, namely milling, when the stock will be split up into two or three parts.

COL. HON. E. G. PRIOR, who has been made Lieutenant-Governor of British Columbia, is president of the wholesale hardware firm of E. G. Prior & Co., Ltd., Vancouver. Born in England and educated as a mining engineer, he came to Canada in 1873, took the position of engineer and surveyor for the Vancouver Coal Mining and Land Company, which he held until 1878, when he became Government inspector of mines for British Columbia. The present business of Prior & Company was established in 1880. He has had an important political career since first elected to the British Columbia Legislature for Victoria in 1886. He entered the House of Commons by acclamation two years later after resigning from the legislature and was re-elected three times. He held a seat in the Cabinet as Controller of Inland Revenue in the Bowell and the Tupper Ministries until his resignation in 1896; he was Premier of British Columbia from November, 1902, to June, 1903.

THE GREAT GAME OF GRAB

With some Government officials, members of Congress, and university professors referring to the present industrial warfare as a phase of the "discontent of labor" or "social unrest" it is evident that many intelligent people do not yet realize what is back of all this epidemic of labor strikes. No doubt there are such things as "social unrest" and "discontent of labor" with reference to the high cost of living, but that does not explain the present industrial turmoil.

What then ails the world? It is this:

The tribe of "Grabheimers" is busy throughout the world, and particularly in this country, trying to wreck all Governments so that they can indulge in a spree of looting. When they have grabbed all they can carry away, they will turn the rest over to their masters, the Prussian lords of war. This is the program which all discerning people should understand by this time, after the disclosures during the great war of German intrigue, designed to demoralize the entire world preparatory to their war of conquest. Who is so foolish as to imagine that military defeat a year ago ended the Prussian propaganda of destruction? It was reported that billions of credits were transferred from Berlin to Switzerland shortly after the armistice was signed. A small fraction of that would pay for all the work of the troublemakers throughout the world, in keeping up this continual effort to paralyze industry here and in other commercial countries. The spread of Bolshevism around the world is no accident, and indicates no spontaneous movement. It is a clear case of a manufactured article, and should be stamped "Made in Germany."

Many months ago an American traveler returned from Berlin, and predicted just what has happened during the past season. He said that the defeated Huns would spread the disease of Bolshevism everywhere, including Germany, in the hope of destroying all Governments and wrecking industry everywhere, being confident that they would be able to suppress anarchy in their midst much quicker than any other nation, and thus achieve the conquest which they failed to win by military force.

The history of Russia since the fall of Kerensky bears out in every particular this diagnosis of an attempt to grab the world by using the forces of anarchy. With our eyes open and understanding what the game is, America should be able to get rid of these plunderers and destructionists, who have for the time being gained control in many labor organizations. Their activities in calling strikes have made many unions "outlaws," as such action has often been taken contrary to commands of the superior governing bodies.

AS OTHERS SEE US

POLITICS AT THE CAPITAL

Montreal *Gazette*

THE FINANCIAL POST, of Toronto, through its correspondent at Ottawa, makes the curiously interesting statement that at the recent gathering of representative Liberals at Ottawa it was resolved to invite the support of conservative elements in the elctorate at the coming general parliamentary contest. According to the POST writer, the opinion that the Union Government party will be beaten when appeal is made to the voters is so generally held that it will affect the result. Then he proceeds:

"Under such circumstances, they (the Liberal representatives) believe that to the soldier elements in the country—the business men, the financial interests, the manufacturers, and men of a conservative cast of thought generally—there is only one course. They must support the Liberal party, no matter what their previous political affiliations may have been, lest a worse thing should befall them. The party of Fielding, Mackenzie, Gouin, John Oliver, and other conservatively inclined Liberals throughout Canada, will look better to them than the combination of Farmers, Labor, and Soldiers which is gaining in strength and will dispute with the two old parties for the ascendancy in the next Parliament.

"It was with this in mind that the Liberals at their recent meeting decided to plough a straight Liberal furrow in the country hereafter, having no affiliations with any of the new elements. They will put a straight Liberal candidate in the field in every constituency, will have no saw-offs with any party, and will fight hard for their own hand. Their belief is that by so doing they will attract to themselves all the soldier elements in the country, including men who may not be much enamored of Liberal doctrines or history, but will say to themselves: 'Well, we at least know what the worst would be with the Liberals in power; but with the Farmers or Labor there is no knowing where we might be led.'

"They assume that what the stable interests of the country desire above everything else is the continuance of that very stability. If the tariff must be revised and come down, it would be better to have it gently pared in the Fielding fashion than torn down regardlessly in the way which Hon. Mr. Crerar and the farmer leaders of Ontario would advocate; and they realize that during the time they were in power the Liberals never did anything which could seriously injure the stability of business in Canada."

There was considerable Radicalism in the platform adopted by the National Liberal Convention in August last; but a platform these days is not so sacred a thing that it cannot be forgotten when it is seen to be inferior to something else that comes to the front. And Conservatives, who have been much banged about by vote seekers appealing to laborites, socialists, public ownership theorists, radicals and uplifters, may feel that they still amount to something in the country their old-time leaders did much to establish.

EXCHANGE AND TRAVEL

Philadelphia Press

Princes and kings may visit America because they have an unlimited bank account, but this will be a poor year for foreign tourists in the United States.

Reason? Their money has big holes in it. As soon as he walks down the gangplank from his ship, the Englishman finds that just one-sixth has been knocked off every pound in his letter of credit.

The Frenchman, finds when he leaves the ship that his francs are just about halved and the Italian's lire has a hole in it to the extent of a forty per cent. loss.

If any German came this way to see the sights, he would find that it would take eight marks to do the work that formerly was done by one.

But what a gala day for the American tourist in Europe! His dollars are kings of the money world. What would be normally a five-dollar hat in Berlin he can have for about sixty-five cents in American coin.

Sixteen per cent. is added to each dollar in London and about fifty per cent. in Paris.

The greatest speculation offered in this world in more than a century is for American money to invest itself in slices of depreciated Europe.

RSC INVESTMENT-SERVICE

The Grand Trunk Purchase

No political or business issue is of more vital importance to Canada than the railway "situation."

It is fully discussed in the current issue of *Investment Items* with particular reference to the Grand Trunk purchase.

A copy mailed you on request.

Royal Securities CORPORATION LIMITED
MONTREAL
Toronto Halifax St. John, N.B. Winnipeg London, Eng.

Victory Loan

5½% Gold Bonds

Due 1st December, 1922, 1927 and 1937
Due 1st November, 1923 and 1933
Due 1st November, 1924 and 1934
at market prices.

Yielding 5% to 5½%

We always endeavour to be in a position to make delivery immediately of any of the above issues.

Wood, Gundy & Company
Canadian Pacific Railway Building
Toronto
Montreal Saskatoon
New York London, Eng.

Province of Quebec--City of Verdun

PUBLIC NOTICE is hereby given that the Council of the City of Verdun will receive until the 22nd day of December next, 1919, at 5 o'clock p.m., at the office of the undersigned, James Wishart, clerk of the City of Verdun, written tenders for the purchase of the whole or any part of an issue of debentures of the City of Verdun, amounting to $225,000, issued under By-Law No. 164, duly approved according to law, dated the 1st day of May, 1919, with interest coupons at the rate of 5½% per annum, payable semi-annually on the first day of May and November of each year at the office of the Home Bank of Canada, City of Montreal, or the National Park Bank, in the City of New York, U.S.A. Such debentures to be redeemable on May 1st, 1939.

The said tenders will be considered at a public sitting of the Council of the City of Verdun, which will be held on Monday, the 22nd day of December, 1919, at 8 p.m.

Every tender must be accompanied by an accepted cheque equal to one per cent. of the amount of this loan. After the opening of the tenders the cheques deposited by the tenderers whose offers are not accepted shall be handed back to them without delay; that of the tenderer whose offer is accepted shall be handed back to him after the execution of his contract.

Every tenderer shall specify whether the price offered does or does not include the interest accrued on the bonds at the time of their delivery.

The City of Verdun does not bind itself to accept any tender.

Given at Verdun, this third day of December, one thousand nine hundred and nineteen.

JAMES WISHART,
Secretary-Treasurer.

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BANKERS
DIRECT PRIVATE WIRES TO NEW YORK, CHICAGO AND MONTREAL
MEMBERS TORONTO STOCK EXCHANGE
CORRESPONDENCE INVITED
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TORONTO

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Bonds for Investment 42

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The future of your children depends on your action NOW! Have you provided for them? Will they be looked after in the event of your death or will they depend on the charity of friends?
Make your will to-day. You owe it to your family.
Write us for free booklet and advice regarding your will. Drop us a card to-day.
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MUNICIPAL Bonds attract investors not only because they offer absolute security, but also because they guarantee a permanent income and a ready market, without being subject to the dangerous fluctuations of speculative securities.
It will be worth your while to carefully investigate Municipal Bonds before placing investments in the New Year.
Write us for our offerings.
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59 Yonge Street
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NEWS OF THE BOND MARKET

MANITOBA ISSUE OF $6,500,000 IS LOOKED FOR SOON

Announcement Was Expected This Week But Did Not Come

COUNTIES LOSE OUT

Turned Down One Bid, and on Second Tender Had to Accept a Lower One—Market is Holding Very Firm

Bond circles have been expecting the announcement of a new Manitoba loan. It is known that Manitoba has some extensive financing to do and the Hon. Edward Brown, Provincial Treasurer of that Province, was in Toronto last week conferring with local bond men on the subject. Arrangements had been practically completed for the disposal of $6,500,000 of Manitoba bonds by private sale, and it was expected that an announcement of the deal would have been forthcoming early in the week. The issue has been postponed, but will probably be brought out in the very near future.

The past week has not been a momentous one in bond circles, and the coming into the market of American investors has been the most interesting turn of affairs.

Aemeilius Jarvis & Company have disposed of the $3,000,000 worth of Ontarios they purchased, three-fourths of the issue being sold in the United States. R. A. Daly & Company have also completely disposed of their New Brunswicks, and a large part of that issue was also taken by American investors. American buying has been profitable for the bond investors. One issue, sold in Canada at about 98.75 was sold in New York at 93, which at the rate of exchange prevailing at the time, made the net to the Toronto bond house 101.50.

Good Market Looked For

Prices have shaded a little higher on most of the tenders opened during the past week, and it is evident that the competition among the bond houses has been quite keen. Bond dealers believe that this condition will continue, even though the next two weeks promise to be comparatively quiet, owing to the Christmas holiday and the municipal elections. A firm market is looked for at the beginning of the year.

Windsor called for tenders a short while ago for an issue of $235,267 of its debentures, and was dissatisfied with the bid. The city tendered again and sold its bonds at a better price the second time. The City of Verdun also found re-tendering successful. But that the plan of tendering the same issue a second time in the hope of improving on some of the original bids is fraught with danger was proven this week, when the united counties of Prescott and Russell were forced to accept a much lower tender for an issue of their bonds, after they had originally turned down the original tenders.

Some time ago these counties called for tenders for a block of $50,000 of their 6 per cent. 20-year serial debentures. The highest tender received was that of R. C. Matthews & Company, Toronto, who bid 100.15, which is on the basis of a little less than 6 per cent. The counties refused to accept this bid, as they thought it too low. Tenders were again called for. The company whose bid was the highest in the first instance held their offer open for ten days, but it was not accepted; now the bonds have been disposed of to R. C. Matthews & Company at 99.85, as they reduced their bid the second time and were still the highest. At this figure the counties are paying a little over 6 per cent. for their money. The tenders received were as follows:

R. C. Matthews & Co.	99.85
Wood, Gundy & Co.	99.57
Brent-Noxon & Co.	99.058

Mackenzie Got Windsor's

It was stated last week that the Dominion Securities Corporation had been awarded $50,000 town of Walkerville debentures, and the Windsor issue. The town of Walkerville, however, refused to accept the tenders for their issue, the highest of which was made by the Dominion Securities Corporation. The block of $13,343 6 per cent., ten years, was awarded to the Bank of Commerce, who bid par for this section of the issue. The Windsor issue, which totalled $235,267, was sold to W. A. Mackenzie & Company, Toronto, at 95.60. Associated with W. A. Mackenzie & Company in this purchase were George Carruthers and Sons, of Windsor.

There was some confusion about the Port Colborne issue of $80,000, 5½ per cent., twenty instalment debentures and the National City Company, whose bid was the highest, declined to accept the bonds. The advertisements calling for tenders listed the bonds as "twenty-year, equal instalments," but it transpired that they were "payable in twenty equal annual instalments," a distinction that is important, in that it affects the amounts of the individual bonds. Wood-Gundy, the second highest tenderers, were awarded the block at 94.705. The tenders received were:

*National City Company	94.98
Wood, Gundy Co.	94.705
C. H. Burgess & Co.	94.51
A. E. Ames & Co.	94.40
Turner, Spragge & Co.	94.39
R. C. Matthews & Co.	93.56
Brent-Noxon & Co.	91.07

*Tender withdrawn.

Other Issues Awarded

Versailles, Vidricaire and Boulais, of Montreal, purchased from the City of Joliette, Quebec, a block of $86,000, 6's, due May 1, 1934. Their bid was slightly over par. Tenders received were as follows:

Versailles, Vidricaire & Boulais	100.25¼
Credit Canadian	99.62
La Corporation des Obligations Municipales	99.60
Napoleon J. Kriane	98.62
Rene T. Le Clerc	98.16

Wood, Gundy & Co. also purchased the Township of Trafalgar issue of $80,000, 6 per cent. 20-year bonds. Tenders were as follows:

Wood, Gundy Co.	100.07
R. C. Matthews & Co.	99.65

Tenders were as follows on the Township of Barton issue, totalling $30,446, 5½ per cent, 10 and 20 years, which were awarded to T. S. G. Pepler and Company. As many of the bids were quoted in dollars, the prices mentioned are approximate only:

T. S. G. Pepler & Co.	96.80
National City Co.	96.30
C. R. Clapp & Co.	96.25
Housser, Wood & Co., for 10-yr. bonds	96.08
Housser, Wood & Co., for 20-yr. bonds	94.08
C. H. Burgess & Co.	95.50
Dyment-Anderson & Co.	95.50
R. C. Matthews & Co.	95.45
Wood, Gundy Co.	95.45

LOAN ORGANIZATION TO SELL PROVINCIALS

Suggestion Follows Announcement of Saskatchewan's Totals

By Special Correspondent.

REGINA.—A total of $21,712,650 was raised in Saskatchewan in the Victory Loan campaign which closed last week, according to final figures issued by the provincial executive. In doing so Saskatchewan raised 145 per cent. of its allotment, or an average per capita of $32.59. The total number of subscriptions was 34,122. Regina headed the cities with $3,755,300; Moose Jaw second with $2,545,250, and Saskatoon third with $2,421,350. The eight cities of the province, Yorkton being reckoned as a city, although legally it is a town, subscribed $10,546,000.

The suggestion was made at a banquet which closed the campaign that the organization be maintained and made use of by the Provincial Government for raising money for purposes of selling Saskatchewan bonds for development purposes. The Provincial Treasurer replied that up till now Saskatchewan bonds had not been offered in the province so that the Federal Government could have a clear field for the Victory Loan campaign. Now the necessity for giving right of way to the Federal Minister of Finance was over Saskatchewan bonds would be sold at home, and he knew no better medium than through the Victory Loan organization which, he said, had raised $68,000,000 in the three campaigns in this province.

GOVERNMENT THRIFT STAMPS

To Be Continued By Government—Also Savings Certificates

OTTAWA.—The Government has decided to continue the sale of thrift stamps and savings certificates at banks, postoffices, and other agencies. However, as a means of eliminating unnecessary expenditures, the National War Savings Committee, and the different paid Provincial representatives and head office officials, are relieved of their duties from January 1, 1920, and the cost of propaganda will be saved.

The twenty-five cent thrift stamp will remain on sale, but the present war-savings stamp will be withdrawn and a new savings certificate issued, in denominations of $5, $10, $25, $50 and $100, maturing three years from date of purchase, at 5½ per cent. on the investment.

SASKATCHEWAN HAS 7 CITIES

REGINA.—The report of the Saskatchewan municipal department shows that there are now seven cities in the province, an increase from 1905, when the province was created, of four; villages, 317, an increase of 254; towns, 75, an increase of 59; rural municipalities, 300, an increase of 298; school districts, 4,145, an increase of 3,249.

CANADIAN BONDS GIVE ATTRACTIVE YIELDS IN U.S.A.

The Exchange Rates Induce Americans to Invest in This Country

MOVEMENT BEGUN

An Added Inducement is the Fact That Canadian Debentures Bear Higher Interest Rates Than American

One primary result of the break in Canadian exchange has been the heavy buying of Canadian securities by American investors. Beginning Tuesday, December 9, a movement involving heavy purchases of Canadian bonds by American institutions began, and, in a few days, no less than $25,000,000, it is estimated, crossed the border into Canada.

Many of the older railroad and Government issues, bearing 4 per cent. and 4½ per cent., made their appearance on the New York bond market, following the rise in the premium on New York funds, and found ready purchasers. Nor has the buying been confined to the older issues. The new issues, bearing 5 per cent. to 5½ per cent., are even more attractive to the American investor. Many of the large American bond houses are offering Canadian bonds of recent dating, among which the most notable offering is the announcement by the National City Company that they have purchased, and will offer for sale, $3,000,000 Province of Ontario short-term 5½ per cent. bonds maturing on April 5, 1922. This issue was brought out earlier in the year by the Ontario Government, and sold to a Canadian bond house, who resold it, privately, to the New York Company.

Interest Rates Higher

Exceedingly favorable purchases of Canadian provincial and municipal debentures can be made by United States investors under present conditions, for not only is the premium on New York funds an inducement, but there is also a difference of at least 1 per cent. in the average yield of Canadian and American bonds. The yield to an American investor of almost any of the current offerings of Canadian bonds is over 6 per cent., owing to the abnormal exchange rates. This yield is, to a large extent, contingent upon a resumption of more normal exchange rates, but the high premium on New York funds is admittedly a more or less temporary situation, and a factor that can easily be discounted on the long-term issues. When this rate is compared with the yield of the average American issue, the investment seems very attractive.

One factor, however, must be discounted. In the United States municipal debentures are exempt from all normal Federal taxation, but this, of course, would not apply to interest received from Canadian debentures. This would make the purchase of Canadian debentures less favorable for the man with the big income for the ordinary public.

The City of Albany, New York, last week sold $704,000 4½s at 102.07, equalling 4.37 per cent. Other American issues last week were on a similar basis.

Place	Amount	Int.	Basis
Beaver Co., Pa.	$975,000	4½%	4.33%
Danbury, Conn.	95,000	4½%	4.48%
Bangor, Me.	90,000	4½%	4.57%
Rock Co., Minn.	150,000	5 %	4.84%
Waukesha, Wis.	100,000	5 %	4.89%
Columbus, O.	475,000	4½%	4.90%
Baker, Ore.	155,000	5 %	4.90%
Potter Co., Tex.	750,000	5 %	5.00%
Greenville, Miss.	290,000	5½%	5.21%

Canadian Investments

Most United States investors, of course, prefer to invest their money at home, but for those who have confidence in Canadian municipalities, and the number is growing, the opportunities afforded by Canadian bond issues is exceptional. This will be seen by comparing the above prices with the prices paid for a number of recent Canadian issues of the same calibre. The rates mentioned are the prices to the municipality. The yield to the ultimate investor, in each case, would be somewhat less. The same applies to the American debentures listed above.

Place	Amount	Int.	Basis
Sandwich Tp.	$ 139,000	6 %	6%+
Toronto	2,632,000	5½%	5.90%
Grimsby	7,428		6¼%
Niagara Falls	18,000	6 %	6%+
Halton Co.	30,000	5½%	5⅞%

The firm of Grant, Whyte & Co., Ltd., are now located in the ground floor of the Winch Building, Vancouver. They will handle bonds, debentures, and a general stock and financial brokerage business.

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Canadian Government Bonds
Investment Securities
C.P.R. BLDG. TORONTO

GOVERNMENT, MUNICIPAL and CORPORATION BONDS
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Victory Bonds
DUE 1934
Price 100 and interest.
Your orders promptly executed.
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W. L. McKinnon Dean H. Pettes
We Recommend
VICTORY BONDS
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1924 and 1934 Maturities
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Send us your orders and they will receive our prompt and courteous attention.
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INVESTMENTS
FIRST MORTGAGE
Industrial Bonds
Maturing 1920 to 1934
Secured by assets 4½ times the total bond indebtedness. Net earnings for 1918 equal to nine times the bond interest.
TO YIELD 7%
Morgan-Dean, Harris & Co.
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Bank of Hamilton Bldg., Hamilton, Ont.

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SEVENTY-ONE · BAY · STREET
· TORONTO ·

MAISON RENE-T. LECLERC 1901

New Issue

Montreal Public Service Corporation

6½%

Collateral Trust Gold Bonds

Dated July, 1919—Due July, 1924

These Bonds are secured by:—
$400,000 Montreal Public Service Corporation, First and Ref. Mortgage 5%, 30 year Gold Bonds, due 1942;
$2,550,000 Montreal Public Service Corporation, Second Mortgage 6½% Bonds, due July 2nd, 1924;
$1,700,000 Canadian Light & Power Co. 5% Bonds, due 1949;
And 59,500 common shares of the Canadian Light & Power Co.
The market value of the above collateral may be conservatively estimated at $3,445,000—providing ample margin of security for the present issue of $2,550,000.

PRICE: par (100) and interest

RENE-T. LECLERC

INVESTMENT BANKER

160 St. James Street, Montreal

(Established in 1901)

Town of Collingwood

Bonds Yielding 6% Par

Send for particulars.

C. H. Burgess & Co.

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Funds Secured for Sound Businesses

Business Builders Ltd.

INDUSTRIAL AND FINANCIAL ADVISORS

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Offer Preferred Shares 7% Cumulative of Magnet Metal and Foundry Co., Ltd.—a Winnipeg Industrial.

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Dealers in Government, Municipal and School Bonds.

We specialize in Western Bond Issues.

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ALLAN, KILLAM, McKAY, Ltd.

McLeod Building, Edmonton, Alberta

Special attention given to interests of out-of-town clients. Real Estate, Mortgage and Financial Agents. Rental and Property Management a Specialty.

NEWFOUNDLAND Gold 5½% Bonds

Due July 1st, 1939

Principal and half-yearly interest Payable in Canada and New York

Price on Application

Correspondence Invited

J. F. Stewart & Co.

106 Bay Street, Toronto

Telephone Adel. 2991

NEW ISSUES

1919 VICTORY LOAN

Due 1924-1934

Price—100 and Interest.

Orders Promptly Executed.

Housser, Wood & Co.

Investment Bankers

10 King St. East, - Toronto, Can.

M.4301-2

The Dutch Government has brought in a bill for minting new silver coins for Holland and the Dutch Indies with a silver content of 800 per 1,000. As present still around 5% below its face value, it will be seen that the Dutch Government is acting with foresight.

FIELD OF MUNICIPAL FINANCE

MUNICIPALITIES IN SASKATCHEWAN WILL UTILIZE "P.R."

Proportional Representation Made Optional With Cities

HOW SCHEME WORKS

Voters Allowed to State 2nd, 3rd Choices, Etc., and Candidates Who Are Really Wanted Are Elected

The agitation that has been carried on in different parts of Canada for many years for the adoption of the system of proportional representation has met with a touch of success in this province, and a bill providing for making it optional with municipalities to adopt the system in the election of municipal representatives has been given its second reading and will become law before the Legislature prorogues for the session. The Saskatchewan Government has not endorsed the principle in its entirety and the present move may be looked ment. experiment.

No particular system of proportional representation is specified as it is thought that it would be best to have different municipalities try out different systems and then in the end it will be possible to decide which system is proving the be most successful. One of the clauses in the bill gives power to municipalities to repeal any by-laws passed in accordance with its permissive provisions, at the end of two years' trial of the system.

Not forProvince Yet

There was no intimation by the Government that the system might be applied to provincial elections, although the Hon. Mr. Langley, who introduced the bill, made one or two remarks from which it might be inferred that he was not opposed to the plan. He stated that had proportional representation been used in the last Saskatchewan election there probably would have been twenty members of the Opposition elected instead of only six, which would have been a good thing because "a strong Opposition means a strong Government."

Proportional representation has only of recent years attracted much attention in Canada, although it has been tried in a number of European countries as well as in New Zealand and Ireland, everywhere meeting with a good measure of success. One aim of all schemes of "P. R."—the abbreviation is the one almost universally used in Great Britain to describe the plan—is to provide that the party or section receiving the most votes shall have the most representatives in the Legislature, council or Parliament. For instance, under proportional representation, a situation could not occur such as happened in Ontario in the October elections, when the party that had the highest total of votes, elected the fewest members, and the party that cast the fewest votes took over the reins of office.

With Individual Candidates

Proportional representation also aims at putting in power the real choice of the people. For instance, when there are nine candidates for the four offices of controller in a municipality, it does not always happen that the four candidates who are most acceptable to the people are elected. If eight of the candidates should be men of universally recognized ability and the ninth man a scoundrel with a solid following, only three of the good candidates would be elected because the general public would have to choose between eight candidates, while the sturdy following of the unwanted candidate would insure his election by "plumping" their votes.

Under proportional representation the voters are allowed to state their choices in order and when a candidate has enough votes for his election the remainder of his votes are transferred to the second choice, and so on.

WESTERN DEBENTURES

Matters Move Slowly Pending Meeting of Commission

There have been two or three meetings in Toronto this week of the holders of the debentures of the Saskatchewan municipalities who have defaulted their obligations, but nothing further of importance has transpired. It is felt that until the meeting of the Provincial Commission on January 5, matters are somewhat at a standstill.

While Wetaskiwin is the first municipality that will be dealt with, it may be noted that this town is not in as bad financial condition as some of the others. Several of the other towns are more insecure financially than Wetaskiwin.

Members of the Humboldt city council have been in Toronto this week, conferring with the Toronto bond holders in regard to the debentures of that town.

MOOSE JAW'S DEBT IS NOW $5,129,500

City Commissioner Mackie Presents Report For Ten Months

The bonded indebtedness of the city of Moose Jaw as at October 31, 1919, was $5,129,571.25, according to the report of City Commissioner George D. Mackie. The debt was made up as follows:

Gross debt	$5,996,491.99
Less unsold debentures	34,000.00
	$5,962,491.99
Less sinking fund	832,920.74
Net debt	$5,129,571.25

This is a slight increase from the figures from one year ago, when the city's net debt was given as $5,107,296.29.

The shifting of a larger share of the burden of taxation to improvements is another feature of the report, which says on this point:

In 1911 the area of the city was 3,840 acres and the land assessment was $14,862,154, while this year the area of the city is 9,760 acres and the land assessment is $14,887,553. On the other hand the assessment on improvements in 1911, based on 60% of their value, was $3,583,612, as against an assessment this year, based on 45% of their value, of $5,725,045. In other words, the value of improvements has increased from $5,956,020 in 1911 to $12,722,322 in 1919.

Tax collections have improved as the following table shows:

	1917	1918	1919
		(Cents omitted)	
Arrears	$192,110	$138,272	$127,588
Current	18,469	358,496	441,397
Total	$210,580	$496,769	$568,986

COUPONS WERE MISSING

And It Costs Prince Albert $3,500 To Replace Them

PRINCE ALBERT, SASK.—The city council has passed a by-law appropriating $3,500 to recoup a holder of the city's debentures, whose interest coupons were missing when the bonds were delivered to him. The bonds were issued in 1913, and the holder now finds that coupons to the amount of $3,500 are missing. Owing to the manner in which the city's records were kept, it has not been possible to determine who took the original coupons, and the city has decided to re-imburse the debenture holder for his lost interest payments.

The city council also decided to offer a discount of 11 per cent. on all current taxes paid during January, 1920.

W. Ross Alger & Company, bond and stock brokers, of Edmonton, are opening an office in Calgary at the first of the year.

At a meeting of the board of the Northern Electric Company, Ltd., this week. A. J. Brown, K.C., was made a member.

BOND SALES

$10,050 Asbestos at 98 to 77; $5,400 Cedar Rapids at 87 to 86; $13,900 Cement at 99¼ to 99; $3,000 Converters at 99¼; $7,000 Dom. Iron at 85; $93,500 Montreal at 102¼ to 101; $71,800 Montreal Trams. debs. at 75 to 70; $5,000 Ogilvie at 100; $2,000 Penmans at 89; $23,200 Quebec Rly. at 65¾ to 64; $3,900 Riordon at 96; $2,000 Sher.-Williams at 100¼; $1,000 Sterling Coal at 78; $6,000 Wayagamack at 86 to 85½; $324,500 Victory Loan (1922) at 99¼ to 98½; $376,700 (1923) at 99¾ to 98⅝; $193,050 (1927) at 102¼ to 100⅜; $1,344,600 (1933) at 102⅞ to 101½; $353,700 (1937) at 104 to 103; $40,560 War Loan (1925) at 97¼ to 96; $31,900 (1931) at 97 to 96; $128,600 (1937) at 99⅞ to 99.

Money By-laws

TENDERS WANTED

Dec. 22, Alberta Schools.—$23,000 in twelve block of 6½ per cent., 10 and 15-year school debentures.—J. T. Ross, Deputy Minister, Edmonton.

Jan. 16, Red Deer.—$50,000 of an issue of $100,000 Treasury Bills, 10-year, 6%, payable ten equal annual instalments.—A. T. Stephens, Sec.-treasurer, Red Deer, Alta.

Dec. 22, Cobourg.—$50,000 of an is-year, for purpose of a bonus to the Douglas Packing Co.

Dec. 22, Verdun, Que.—$225,000, 5½%, 20-year bonds.

Jan. 15, Nanton, Alta.—$6,000, 6½% 10 instalments.—Wm. Robertson, Sec.-treasurer, Town of Nanton.

BY-LAWS TO BE VOTED ON

January, Galt.—$30,000, for central heating plant at the hospital grounds.

January, Point Grey.—$90,000, for purpose of purchasing property for a park and bathing beach.

Jan. 1, London, Ont.—$300,000 for extensions to Fair grounds; $218,000 for the London and Port Stanley Railway; $250,000 for Board of Education for new schools, etc., $200,000 for commencement of new city hall; $100,000 for new reservoir; $100,000 for new bridges; $85,000 for new stable and shelter; $20,000 for playgrounds; $100,000 for erection of a soldiers' memorial hall.

Jan. 1, Hamilton.—$607,173, for Hydro-radial purposes; $150,000 for development of Scott Park, etc.; $50,000 for Mountain face highways; $72,000 for purchase of fire-fighting apparatus; $850,000 for construction of central storm overflow sewer.

January, Waterdown, Ont.—$20,000, for the erection of a memorial hall.

January, Brantford.—$50,000, for the erection of a new grand stand; $87,000 for the construction of an isolation hospital; $78,000 for additions to General Hospital; $20,000 for addition to Brant Sanatorium; $211,000 for new Lorne bridge; $3,000 grant to Army and Navy Veterans; $15,000 grant to G.W.V.A.; $10,800 for new motor fire truck.

January, Penticton, B.C.—$35,000 for new reservoir and extension of waterworks system.

Jan. 1, Toronto.—$5,000,000 to be supplied the proposed Transportation Commission for extensions and equipment of the system; $1,000,000 for erection of a livestock arena at the Exhibition grounds; $4,000,000, city's share of guarantee for securities covering erection of proposed Toronto and Eastern Hydro-radial railway to Bowmanville.

January, Niagara Falls, Ont.—$50,000, for addition to hospital; $14,000 for erection of store and office for Hydro-Electric Commission.

January, Beaverton, Ont.—$25,000 for a water system.

Jan. 1, Kenora, Ont.—$25,000 for public improvement purposes.

Jan. 5, Village of Beaverton.—$5,000 for the purpose of laying, and constructing sidewalks, etc.

Jan. 5, Charlton.—$3,000 for improvement of streets.

Jan. 5, Mount Forest.—$15,000 to assist Ernest Bros. Co. to enlarge their foundry manufacturing premises.

Jan. 1, Ottawa.—$150,000 for new fire station; $300,000 for new police station; $700,000 for war memorial hall; $2,000,000 for erection of new city hall.

Jan. 5, Thorold.—$10,000 for the erection of a G.W.V.A. clubhouse.

Jan. 5, Midland.—$30,000 to aid in constructing additions to St. Andrew's hospital.

Jan. 1, Chatham.—$17,300 for construction of steel truss bridge; $10,000 for an athletic park.

Jan. 5, Owen Sound—$180,000 for the erection and equipment of a technical school, etc.

Jan. 5, Paris.—$6,500 for purchase of a memorial home; $25,000 for purchase of a site and erection of a new public school.

Jan. 17, York Township.—$381,587 for construction of new radial line from Toronto to Bowmanville, the total cost of the new radial being estimated at $8,360,794.

Jan. 5, Village of Richmond—$5,000 to be expended on local improvements.

Jan. 5, Preston.—$15,000 for building and equipment of a home for returned men.

Jan. 5, Village of Bancroft.—$500,000 for the purpose of constructing side walks.

Jan. 5, Village of Tara.—$8,000 for construction, improvements and extensions for transmission and distribution of electrical power.

Jan. 5, Simcoe.—$70,000 for construction of five bridges.

Jan. 5, Smith's Falls.—$25,000 to erect and equip new fire hall.

Jan. 5. Merritton.—$6,000 for public recreation grounds; $1,000 for highway improvement.

Jan. 5, Seaforth.—$6,000 for erection of soldiers' monument.

BY-LAWS PASSED OR DEFEATED

Chatham.—$600,000 for the Lake Erie water project. Defeated by the city council on Dec. 8.

DEBENTURE NOTES

Almonte.—At the forthcoming municipal elections citizens will vote on a by-law to authorize an issue of $20,000 debentures for the permanent improvement of the streets and sidewalks. A by-law will also be submitted to raise $25,000 to purchase the Wiley power plant.

Dresden—A by-law will be voted on at the municipal elections to provide $10,000 for a water tank and equipment for a waterworks system.

Penticton—The municipal council is contemplating the passage of loan by-laws to raise $125,000 for expenditure upon the municipal irrigation system and $30,000 on the domestic water system.

JANUARY DIVIDENDS

Should be reinvested in Interest Bearing Securities.

Particulars of suitable investments will be furnished upon request.

T. S. G. PEPLER & CO.

Bond Dealers

ROYAL BANK BUILDING TORONTO

Financial Requirements

Prosperous, established businesses frequently require additional working capital. Meritorious security issues for this purpose we buy as a whole.

The securities we offer to our clients are therefore of proven worth.

OTIS & COMPANY

INVESTMENT BANKERS

CLEVELAND, OHIO

CITY OF EDMONTON, ALTA.

Hereby gives notice that, in view of the adverse financial market conditions, it will not exercise its option, as stated in a former notice, to take up the following Debentures:—

Issued Under By-Laws.		Series	Maturity	Next Interest Due Date
683		A	July 1, 1920	Jan. 1, 1920
684		B	July 1, 1920	Jan. 1, 1920
700 and 3	1918	C	July 3, 1922	Jan. 3, 1920
27	1918	F	July 15, 1928	Jan. 15, 1920
2	1919	G	Feb. 15, 1924	Feb. 15, 1920

F. BARNHOUSE, City Treasurer.

VICTORY LOAN

MATURING

Nov. 1st — 1924

Nov. 1st — 1934

Price:- Par and Interest yielding

5½%

GREEN, HENDERSON & COMPANY

Investment Bankers

Sun Life Building, 60 Victoria St. Toronto, Canada

Tenders Invited

until noon January 6th, 1920, for Fifty Thousand dollars of an issue of One Hundred Thousand City of Red Deer.

Treasury Bills issued against arrears of Taxes and lands taken over by City of One Hundred and Twenty Thousand Dollars.

Terms—Ten years. Rate—Six per cent. Dated July 1st, 1919. Re-payable ten equal annual instalments. Interest semi-annually at Imperial Bank, Toronto, Montreal, Red Deer.

Issue approved by Public Utility Commissioners of Alberta. No tender necessarily accepted.

Address tenders to A. T. Stephenson, Secretary-Treasurer, Red Deer, Alta.

Debentures for Sale

TENDERS will be received by the undersigned up until noon on Monday, the 22nd day of December, 1919, for a block of $5,000.00 Town of Cobourg Debentures bearing interest at 5½ per cent. per annum, payable half yearly on the first days of May and November. These debentures are on the instalment basis for 10 years and are all ready for delivery. They have the approval of the Ontario Railway and Municipal Board for the same printed on them. They are issued for the purpose of a Bonus to the Douglas Packing Company of the said town, and are dated November 1st, 1919.

The highest or any tender not necessarily accepted.

BEN. EWING,
Town Clerk.

WANTED

Abitibi 7% Convertible Debenture Stock.

Collingwood Shipbuilding 6's.

Sterling Bank.

Canadian Mortgage.

OFFERED

King Edward Hotel 7% Bonds. Carrying Bonus of Common Shares.

Home Bank.

Canadian Oil Common.

Dominion Power Preferred & Common.

206 Dominion Bank Bldg. TORONTO

H. R. BRERETON Company

To Close an Estate, We Offer Shares of

THE LONDON LOAN & SAVINGS COMPANY

Paid Up Capital, $887,849.44

Reserve Fund - $360,000.00

Dividend 7 p.c. per annum Shares $50 each.

We offer 200 shares or less at par.

The London & Western Trusts Company, Limited

LONDON, ONTARIO

Public Utility Investment

MONTREAL PUBLIC SERVICE CORPORATION

6½'s - 1924

Collateral Trust Gold Bonds

Price: par (100) and accrued interest

BEAUSOLEIL LIMITED

Financial Agents

112 St. James St., Montreal

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND ISSUES

Date	Place and Purpose	Sold to	Rate	Term	Amount	Price	Basis
Dec. 15	Township of Barton	T. S. G. Pepler & Co.	5½%	10&20 yrs.	$ 30,446	96.80	....
Dec. 13	Town of Walkerville	Can. Bank of Commerce	6%	10-yr.	$13,343.66	Par	6%
Nov. 26	Trafalgar Tp., Electric Light	Wm. Sargent, Bronte	6%	1-10 yrs.	$6,000	.....	....
Dec. 15	Prescott and Russell	R. C. Matthews & Co.	6%	20-yr.	$50,000	99.85	6.01
Dec. 8	Windsor	W. A. Mackenzie Co.	5½%	10&20 yr. inst.	$235,267	95.60	....
Dec. 15	Tp. of Trafalgar	Wood, Gundy Co.	6%	20 yrs.	$80,000	100.07	5.95
Dec. 15	Joliette, Que.	Versailles, Vidricaire & Boulais	6%	15 yrs.	$86,000	100.2525	5.92
Dec. 15	Port Colborne	Wood, Gundy Co.	5½%	20 yrs.	$80,000	94.705	5.92

GRAIN SHIPMENTS

Grain shipments were somewhat reduced in volume in November, and ninety-five vessels cleared from the head of the lakes, carrying 15,106,000 bushels of wheat, and small quantities of oats, barley, flax and rye. This figure compares with 31,794,000 bushels last year, and 33,419,418 in 1917.

NEW TRACTOR ISSUE

The Essex Tractor Company will go more extensively into the manufacture of tractors and trucks and it has been decided to put out a stock issue of $50,000. The company has a contract for 500 tractors and an equal number of trucks for shipment to British West Indies, and the sale of additional stock is expected to furnish the required capital.

Group Insurance

And Labor Turn-over

The trouble and expense of hiring a new employee and "breaking him in" represent so much net loss that would have been avoided if the old hand had stayed on the job.

Careful investigations by large concerns have resulted in estimates of this "replacing cost" running all the way from $40 to $75 per head, with an annual "labour turn-over" in some cases of from fifty per cent. and upward of the total number of employees.

Group Insurance, by making it worth the employee's while to stay on the job, is a powerful corrective of Labor Turnover, and saves in efficiency much more than it costs in premiums.

Sun Life Assurance Company of Canada

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL

Authorized Capital - - $2,000,000.00
Subscribed Capital - - - 1,000,000.00
Paid-up Capital - - - 247,015.79

General Fire Insurance Business Transacted
Theodore Meunier, Manager

The Independent Order of Foresters

Furnishes a Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
Policies issued from $500 to $5,000. For further information and literature, apply to

Benefits Paid 63 Million Dollars

FRED J. DARCH, Secretary. W. H. HUNTER, President. S. H. PIPE, F.A.S., A.I.A. Actuary.
HEAD OFFICE - - - TORONTO

The Secret of Successful Salesmanship

If the salesman has unlimited confidence in the company he represents and in the goods he is offering, it will not take long to communicate that confidence to the prospect. And this applies to life insurance more than to any other article. Agents fo the Mutual Life of Canada meet with extraordinary success for that simple reason—they devoutly believe in life insurance and above all in "Mutual" life insurance. The Mutual Life has been conducted for fifty years exclusively in the interests of its policyholders. The result is an unprecedented demand to-day for Mutual Life policies. With the Mutual "the Secret of Successful Salesmanship" is simplicity itself—the agent knows that he has the company and the policy that the prospect needs. The rest soon follows.

"BE A MUTUALIST"

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO : : ONTARIO

INVEST YOUR SAVINGS
In a 5½ DEBENTURE of
The Great West Permanent Loan Co.

5½% INTEREST RETURN

SECURITY
Paid-up Capital $2,412,578.81
Reserves 964,459.39
Assets 7,086,695.54

HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria; Edinburgh, Scotland

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.

TOTAL ASSETS $2,468,523.08

A Canadian Company Investing its Funds in Canada

APPLICATION FOR AGENCIES INVITED

TORONTO: 20 KING ST. W. Lyon & Knowland, Agents

IF YOU FAIL

to dispose of your Estate by Will it will be divided according to law. Is it your desire that your Estate should be dealt with in this manner? We have often seen distressing results from the neglect to make a Will. We are always pleased to give our advice to those who contemplate making their Wills and to quote our fees for acting as Executor or Trustee.

MONTREAL TRUST COMPANY
Sir Herbert S. Holt, President A. J. Brown, K.C., Vice-Pres.
TORONTO OFFICE: 61 YONGE STREET
J. F. HOBKIRK, MANAGER

INSURANCE AND REAL ESTATE

LIFE INSURANCE PAYS PROVINCIAL SUCCESSION DUTY

Some of the Features of the Various Acts Are Described

ONTARIO'S DUTIES

No Tax on Estates of Less Than $25,000 Where Close Relatives Only Are Interested—Surtaxes on Bequests

Succession duties in Canada are not a novelty. Prince Edward Island has taxed estates ever since 1894, and the Act relating to succession duties in the island province differs only in minor details from the original law. The other provinces have charged succession duties for the past four or five years.

It is hard to state to what extent the operation of these acts has affected the business of life insurance, but there can be little doubt that for men whose estates are large enough to become liable to succession duties increased life insurance provides a way to pay succession duties that otherwise might have to be paid out of the rest of the estate. If the bulk of the estate consists of real estate, stocks or other forms of property subject to fluctuations in value, and often difficult to dispose of to advantage on quick notice, it will be seen that some such quickly realizable asset as a life insurance policy is essential if the beneficiaries under the will, or the heirs if there is no will, are to gain the full advantage of the property bequeathed to them.

Points to be Considered

In determining the size of a policy to be taken for the purpose of providing for payment of succession duties there must be taken into consideration the kind and location of the property to be bequeathed, the degree of consanguinity of the beneficiaries and the amounts to be willed to charitable, religious or educational institutions. Most of the provinces grade the duties payable according to these points.

While in England little distinction is made between beneficiaries who are blood relations of the deceased and those whom the law classes as "strangers," in Canada the distinction is very clearly drawn, so much so that in Ontario on an estate of $250,000, the part divided among relatives is taxed at the rate of 1½ per cent., while any portion left to someone outside the immediate family is taxed at the rate of 20 per cent.

Ontario's law is as typical as any and may be described with a certain degree of thoroughness. No taxes are charged on estates of less than $5,000, and no taxes are charged on any estates of less than $25,000 left to a close relative. A grandfather, grandmother, father, mother, husband, wife, child, son-in-law, or daughter-in-law is a close relative; an uncle, cousin, aunt, etc., is not. Money left to a son-in-law benefits by this exemption; money left to a mother-in-law does not.

Other Exemptions

There are a number of other exemptions. No tax is levied on that part of an estate left for charitable, religious or educational purposes. Bad debts and funeral expenses are deducted from the gross amount of the estate before reckoning the duties. Where there is a reciprocal arrangement with another province or country, no tax is paid on any part of the estate on which a succession duty is paid elsewhere, and Ontario stocks and bonds of non-residents are also exempt from succession duties.

Two items that are subject to taxation are life insurance and any payments made by the deceased within three years prior to his death to certain close relatives.

The manner of fixing the rate to be paid is very complicated. There is a basic tax and several surtaxes. Where the aggregate value of the estate exceeds $25,000 and any property passes to the close relatives mentioned above, the tax ranges from 1 per cent. on estates of $25,000 to $50,000 to 10 per cent. on estates exceeding $1,000,000. If any one of these relatives receives more than $100,000, a surtax must be paid, which ranges from 1 per cent. additional where the amount so passing is between $100,000 and $200,000 to 5 per cent. additional when one person receives more than $1,200,000.

Other Than Close Relatives

Then there are relatives who are not "close relatives." If any of them receive a bequest, then a different scale of taxation, slightly higher than the other, applies. Duty is payable if the estate totals $5,000 or more, and ranges from 5 per cent. on estates of between $5,000 an' $50,000 to 12½ per cent. on estates of $100,000. When the amount payable to one of these relatives exceeds $50,000, a surtax similar to the other is payable ranging from 1 per cent. to 5 per cent.

There is a third class of beneficiaries, those who are not related to the deceased, and they are taxed very heavily. On estates aggregating between $5,000 and $10,000, the tax is 6 per cent. On estates over $20,000 the province takes 20 per cent.

These are the principal features of the Ontario Succession Duties' Act. Next week an article will be published in this column discussing some of the succession duties schedules of the other provinces of Canada.

URGING THE BENEFITS OF GROUP INSURANCE

Brokers Are Burying New Canadian Policies Before Manufacturers

The Group Insurance idea which has been referred to several times before in these columns and which now can be operated in Canada, is being pushed by insurance brokers. The following is a copy of a letter which one firm sent out to a number of manufacturers dealing with some of the more important points of interest to them in connection with Group Insurance. The letter is given to the purpose of the suggestions it contains to business men. It reads as follows:

The latest method of insuring the lives of your entire staff of employees, without any medical examination, provided there are over fifty employees on the payroll and for an amount determined by the employer, is "Group Life Insurance."

The usual method is to insure your employees who have been in your employment for three months or longer, starting with a sum of, say, $500, and increasing this by a stated sum for each year they remain in your employment, until it reaches what the employer determines to be the maximum. Each employee is automatically insured after he has been in your employment over the stated time, whether you have reported his name or not.

In event of there being less than fifty employees they can still be insured, but by a different method and at slightly higher rates, but in both cases the rates quoted on this class of business are cheaper than anything yet given the public.

Group insurance has just become effective in Canada within recent date, but it has been operative in the United States for several years, with very satisfactory results to both employer and employee, some of which are:

An employee thinks it over more seriously before leaving an employer if he loses $1,500 or $2,000 life insurance thereby.

It has been the means of bringing about a better understanding between Capital and Labor, and has already shown that there has been a greater average remain at work in large factories than previous to this life insurance being applied to their business.

In many instances it has proved a very great satisfaction to an employer to hand over a life policy to the widow and family as a tangible evidence of his sympathy to the bereaved one, instead of stating "how sorry" he was for them now the bread-winner was taken from them.

Many other arguments can be given in favor of Group Insurance, which I should be pleased to give in an interview, should you allow this opportunity. Already many of the large manufacturing industries have undertaken this means of protecting their employees. It will only be a short time when nearly all the others will be doing the same.

BUILDING PERMITS LAST MONTH WERE MUCH INCREASED

Total in Canada Nearly $7,000,000 — Year May Reach $75,000,000

TORONTO'S ACTIVITY

Queen City the Outstanding Centre of Construction Work Last Month—Prince Rupert Shows Prosperity

While November is usually a slack month in building, permits issued in Canada last month totalled $6,889,000, an increase of $4,690,000 over the figures for November, 1918. There is little doubt that when the figures for the year are tabulated that building permits in Canada during 1919 will total over $75,000,000. Last year the total was under $40,000,000, a figure that will be almost doubled.

Canadian builders have had many problems to cope with this year. Labor troubles have affected them acutely and there has been difficulty in obtaining supplies of essential building materials. Allowing for these two deterrents the year's record has been remarkable.

Toronto again outshadowed every other city in Canada in the value of building permits issued last month, the total reaching $2,536,000, an increase over November, 1918, of $2,140,000. It is interesting to note that in Toronto dwelling houses and private garages have made up the bulk of the permits issued during the year. Over $1,000,000 has been spent on garages alone in Toronto in eleven months.

Prince Rupert Busy Place.

Prince Rupert, among the smaller Western cities, has had a very active year in building and in ten months issued permits totalling $500,426 as against $106,301. This, by the way, is only one of the signs of prosperity in Prince Rupert. Collections on current taxes have broken all records and have been 74.75% in ten months, as against 60.54% last year. The best previous showing was in 1915, when 61.36% was collected.

There have not been many large permits issued during the month. Allen Brothers took out a permit for a $300,000 theatre in Vancouver. The University of Manitoba is erecting an institute to cost $85,000. York Township, in Ontario, is putting up a public school to cost $86,000. In Brantford, Robbins & Myers are erecting a Canadian branch factory, which it is estimated will cost $135,000. The Hamilton Spectator is erecting a new office building. The cost is estimated at $100,000. Other large Hamilton permits were: International Harvester Co., addition to factory, $100,000, and factory for the Norton Wheel Co., $74,000.

Other cities where there is a great deal of building activity are Windsor, St. John, N. B., Fort William, Kitchener, Regina and Saskatoon.

BUILDING PERMITS ISSUED IN NOVEMBER, 1919

	November 1919	November 1918	Change	1919. 11 months	1918. 11 months	Change.
EASTERN CITIES						
Maritimes—						
Halifax	$ 224,210	$ 326,907	—$ 102,697	$ 4,880,666	$ 2,783,465	+ $ 2,097,201
St. John	226,500	2,500	+ 224,000	506,540	351,325	+ 155,215
Sydney	20,585	18,690	+ 1,895	665,663	404,416	+ 261,247
Quebec—						
Montreal	890,864	339,475	+ 551,389	9,375,500	4,707,638	+ 4,667,862
Quebec	171,378	69,050	+ 102,328	2,043,069	898,800	+ 1,144,269
Westmount	26,290	7,250	+ 19,040	805,605	270,061	+ 535,544
Ontario—						
Brantford	194,945	128,445	+ 66,500	1,095,255	758,435	+ 336,820
Fort William	46,500	525	+ 45,975	627,080	481,250	+ 145,830
Hamilton	525,940	374,285	+ 151,655	4,906,712	2,162,004	+ 2,744,708
Kitchener	86,690	1,265	+ 85,425	1,159,282	235,662	+ 923,620
Kingston	12,798	18,355	— 5,562	513,795	310,395	+ 203,400
London	109,960	110,690	— 730	2,023,970	848,680	+ 1,175,290
Ottawa	264,550	41,600	+ 222,950	3,108,767	2,561,554	+ 547,213
Port Arthur	10,968	3,240	+ 7,728	1,707,131	605,806	+ 1,101,325
Stratford	10,805	1,125	+ 9,680	367,396	89,751	+ 277,645
St. Catharines	44,035	13,319	+ 30,716	834,511	450,322	+ 384,189
Toronto	2,536,045	396,385	+ 2,139,660	17,779,811	7,924,880	+ 9,854,931
Welland	36,314	9,300	+ 27,014	378,885	427,304	— 48,419
Windsor	291,285	42,800	+ 248,485	2,528,310	533,470	+ 1,994,840
Woodstock	15,890	640	+ 15,250	123,997	115,938	+ 8,059
St. Thomas	6,810	9,025	— 2,215	221,475	54,310	+ 167,165
Total 21 East. Cities	$5,753,357	$1,914,871	+$3,838,486	$55,653,420	$26,975,466	+$28,677,954
York Township	419,550	......	+ 419,550	4,097,200	......	+ 4,097,200
WESTERN CITIES						
Manitoba—						
Brandon	$ 7,000	$ 17,046	—$ 10,046	$ 91,381	$ 98,722	—$ 7,341
St. Boniface	1,450	11,000	— 9,550	358,435	264,115	+ 94,320
Winnipeg	309,400	53,050	+ 256,350	2,798,550	2,040,800	+ 757,750
Alberta—						
Calgary	56,000	42,500	+ 13,500	2,177,100	1,169,500	+ 1,007,600
Edmonton	83,205	19,400	+ 63,805	921,746	341,710	+ 580,036
Lethbridge	12,890	4,620	+ 8,270	162,110	135,550	+ 26,560
Saskatchewan—						
Moose Jaw	8,200	3,200	+ 5,000	541,995	519,695	+ 22,300
North Battleford	......	535	— 535	52,565	13,270	+ 39,295
Prince Albert	10,050	5,000	+ 5,050	195,611	85,548	+ 110,063
Regina	173,350	32,950	+ 140,400	1,686,620	986,690	+ 699,930
Saskatoon	20,445	8,350	+ 12,095	1,375,035	595,665	+ 779,370
Yorkton	41,425	1,700	+ 39,725	337,800	26,700	+ 311,100
British Columbia—						
Vancouver	387,530	70,798	+ 316,732	2,152,958	1,358,731	+ 794,227
Victoria	15,185	11,165	+ 4,020	406,791	229,290	+ 177,501
New Westminster	10,200	3,800	+ 6,400	156,282	102,760	+ 53,522
Total 15 West. Cities	$1,136,330	$ 285,114	+$ 851,216	$13,414,979	$ 7,968,748	+ $ 5,446,233
Grand total, 36 cities	[illegible]	[illegible]	+ [illegible]	[illegible]	[illegible]	+ [illegible]

ACCIDENT and HEALTH INSURANCE

Merchants Casualty Company
Winnipeg Toronto Montreal

There May Be Unexpected Value in Your Unlisted Securities

Let us place a valuation on your holdings and advise you as to their future possibilities.

We are specialists in unlisteds and our service and monthly letters are yours for the asking.

Richardson, Sheppard & Thorburn, Ltd.
INVESTMENT BANKERS
Royal Bank Bldg., Toronto

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - - LONDON
BOARD OF DIRECTORS. W. B. Meikle, President and General Manager; Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - $4,000,000.00
Losses paid since organization, over - $45,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes. Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - $7,000,000.00
Losses paid since organization over - $74,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President: Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, O.B.E., Lt.-Col. the Hon Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O. E. R. Wood.

5% AND ABSOLUTE SECURITY
Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.
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Special attention to Corporation Practice and Collections

TORONTO

BLAKE, LASH, ANGLIN & CASSEL
Barristers, Solicitors, Etc.
Canadian Bank of Commerce Building.
Toronto
Cable Address: Blakes, Toronto.
General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

CHARTERED ACCOUNTANTS

EDMONTON, ALTA.
Baldwin, Dow & Bowman, Jackson Block

PROPER PACKING CLOSELY RELATED TO MARINE RISKS

Freight Problems Can be Reduced by Better Packing of Goods

LOSSES ARE HEAVY

Man Who Saved the United States $85,000,000 in Shipping Charges Tells Insurance Men Their Duty

Marine and inland transportation insurance companies, while reporting a very active year, state that their business during 1919 has not been very profitable. Strikes among longshoremen and railroad workers have been the chief contributing factors in keeping losses at too high a ratio in comparison with even an increased premium income. While the insurance companies have felt the drain, the actual cash losses of shippers and consignees have been negligible where adequate inland transportation or marine insurance was carried. To the latter class, the most serious result of the abnormal conditions in the transportation business has been the loss of the goods themselves rather than the loss of the value of the goods.

A manufacturer who requires a carload of a certain essential raw material, in order to keep his plant running, and who has a car under consignment to him, finds little satisfaction in being notified that, although his shipment was partially destroyed in a train wreck, the loss is "fully covered by insurance." And, if he learns later that more careful packing of his shipment by the shipper would have enabled the shipment to survive the wreck, his satisfaction is not likely to be increased.

Importance of Packing

With marine and transportation delays and losses at a high level, it becomes essential for shippers to find use for every possible method to decrease possibility of loss. One way to decrease the loss ratio, is by better packing. There is a close relation between the question of insurance and the question of packing. To use the definition of a man who knows a great deal about the subject: "Packing is the proper preparation of merchandise to withstand the ordinary hazards of transportation; insurance is the assumption of risks and the guarantee against hazards of transportation." Major David T. Abercrombie, who defined the relation thus, is the man who achieved a great deal of prominence recently, when the United States Government announced that he had saved the country $85,000,000 in ocean freight charges by the employment of expert packing methods in the preparation of clothing for export. Major Abercrombie addressed a group of marine insurance in New York the other day on this subject, and the following are excerpts from his remarks:

"While I was in the service a very large manufacturer used such miserable second-hand packing cases that breakage and loss were excessive. We wanted garments and not deductions from invoices, so I visited his plant and tried to persuade him to give us better service, which he was indifferent about. Fortunately, I had the power to refuse deliveries. When his warehouse was full and he was needing money he changed his mind and methods, and his goods came along properly packed. I made an inspection of the packing methods of a merchant for an insurance company. I found the packing methods very poor and the merchant much surprised at such a visit. After my report to the insurance company the merchant was anxious and willing to be told by the company what they required as to packing methods. Does not this show emphatically the relation between packing and insurance?

"It is to the advantage of insurance to have packing that will protect merchandise from pilfering. I once saw an expert leveeman from Mississippi who could drop a certain kind of case of canned goods from his arms, apparently by accident, so that it would break wide open and the contents spill. Proper banding on this same kind of case would have resisted many such falls and made such deliberate pilfering exceedingly difficult, if not out of the question. Proper interlinings prevent merchandise from being damaged by moisture and in the case of entire submergence prevent the entrance of silt, mud and sewage. The salvage value is thus greatly increased.

How Proper Packing Helped

"The Steamship America, which sank at the dock in Hoboken, was loaded with thousands of cases and bales. It was several weeks before these were taken from the holds. The goods in bales were so thoroughly protected by an interlining paper that the silt and moisture did not penetrate, and the salvage of these garments was 100 per cent. Drying and pressing was the greatest cost. Goods in cases had spaces between articles which filled with much that stained, rotted, and even destroyed entire lots.

"At the Bush docks the Steamship Luckenback had a bad fire; the hold was flooded and garments packed in bales that had the burlap entirely burned away had a much higher salvage value than the garments loosely packed in cases.

"In a warehouse where a fire occurred among 16,000 bales there were 34 bales charred and hundreds wet on the outside, but there was no loss whatever by either water or smoke, for compressed goods do not absorb smoke. From the 34 charred bales there was a loss of 4 per cent.

"Insistence on proper packing will protect the customer as well as the assured. It will enable the merchants of this country to be and to continue being effective competitors in foreign markets. I want you to realize how simple are the fundamentals of proper packing, proper design of container, proper material of container, proper gross weight and proper preparation of contents to meet peculiar hazards."

LARGE INVESTMENTS IN SASKATCHEWAN

Provincial Treasurer's Report, Now Issued, Gives Figures

REGINA.—The report of the Provincial Treasurer for the fiscal year ending April 1, 1919, states that there is now invested in the province, by insurance companies, a sum of $28,000,000, although the companies making the investments derive a premium revenue of only $10,398,000 from policies written in Saskatchewan. The companies with the largest investments in this province are Canadian and British, the Canada Life Insurance Company heading the list with $5,900,000.

Mortgage and Loan companies have also a large financial stake in Saskatchewan, amounting to $57,000,000. The companies with the largest investment are all Canadian and British, with the exception of the Credit Foncier.

The Mortgage Company of Canada and the North of Scotland Mortgage Company head the list with about $5,000,000 each.

During the period covered by the report, 185 concerns, with authorized share capital of $33,580,000, were incorporated; thirty-three companies increased their capital from $18,000,000 to $48,000,000; and, in addition, 94 rural telephone companies were incorporated, and 30 other such companies increased their capital.

The report showed a revenue of $195,000 from corporation taxes, and over $700,000 from auto licenses.

Loan company managers, interviewed regarding the report, stated that the figures for the present current year would show a large increase, as there was a brisk demand for mortgage loans, equalling, if not surpassing the year 1913, when the business was at its height for this province.

CANADIAN COTTONS INCREASES DIVIDEND

Distribution on Common Stock Advanced to Seven Per Cent. Basis

By Resident Representative

MONTREAL.—One further evidence of the stability and bright prospects of the textile industry in Canada was furnished this week by the Directors of Canadian Cottons, Limited, when they increased the dividend on the common stock from 6 to 7 per cent. by declaring a rate of 1¾ per cent. to be paid on January 4th next to shareholders of record December 26th. While this increase had been looked forward to in some quarters there was some doubt as to whether it would go into effect this year, particularly in view of the announcement made at the annual meeting last May that the directors felt that an increase in the dividend was not advisable at that time. Just before that there had been some depression of this business as in most others, as a result of general conditions following the Armistice, but since that time the affairs of Canadian Cottons, as of practically all other textile industries in Canada, had undergone a great change in regard to future prospects, and now the company, as was reported last week in these columns, has all the business it can handle for over six months to come. The report of the company for the year ending March 31st last, showed earnings of nearly 19 per cent. on the common and it is understood that this year's business will rank almost equally with last year's, so that the action of the directors still leaves a large margin to be applied to reserve or to swell the surplus of the company.

The payment of this increased dividend will be more easily made inasmuch as the company's liquid position was greatly improved by the sale of the Mount Royal Mills to the Dominion Textile Company during the present year.

The common stock of Canadian Cottons was placed on a dividend basis of 4 per cent. in 1916. This rate was increased to 6 per cent. for the quarter beginning January 1st, 1918, so that for the past two years the 6 per cent. rate has been in force. The increased rates, however, will cover the last quarter of 1919.

ACADIA SUGAR HAS TURNED THE CORNER

Profitable Business Wiped Out Indebtedness and Brings Dividends in Sight

By Special Representative.

HALIFAX.—The Acadia Sugar Refining Company has a very different outlook at present from what it had at any time during the past four or five years. Since the beginning of the war, and till comparatively recent times, the company has been haunted by the spectre of a huge debt due the bank, and it was long accepted, almost as a fact, that the company would have to be wound up. The last two years have brought a change, and especially the past six months, for the first of this year was not specially good for the company.

The shareholders have authorized the directors to issue 7 per cent. debentures to the extent of $3,000,000, and they know pretty well where these can be disposed of at 90 per cent. of par, and with a stock bonus. New York interests will purchase the securities, and the refinery will thus be placed in an easy financial position; but, what is more, they will have a New York connection that will be valuable in business, irrespective of the financial strength gained.

It is understood that the company has made large purchases of raw sugar on good terms, and that it could, if it wished, turn this over at once with a handsome profit—a profit quite as much as will be realized by selling after the refining.

CIRCULATION HAS GONE AHEAD

Continued from page 2

The chartered banks of Canada owned, on October 31 last, $281,000,000, Dominion notes, of which $165,400,000 were actually in the possession of the banks, and of which $115,600,000 were kept by the banks on deposit in the Central Gold Reserve, as the equivalent of gold, for the security of the note issues of the banks. The chartered banks also held in Canada $61,500,000 in gold.

On the other hand, chartered bank notes outstanding amounted to only $236,477,479. If the Dominion notes, held by the chartered banks, were convertible into gold as they were before the war, the position of these banks would be unassailable.

But unfortunately the $281,000,000 of Dominion notes held by the chartered banks no longer represent gold. The Dominion Government holds gold for the redemption of less than 40 per cent. of these Dominion notes, and by act of the Canadian Parliament and by order of the Canadian Government, Dominion notes are now declared inconvertible.

I am no expert in reference to these matters, but I am informed by economists and financiers, whose opinions bear weight, that even if there had been no war and no exceptional foreign demands for Canadian staple products, the dilution of the Canadian Government note issues which have taken place would have increased prices in Canada, or, in other words, resulted in a considerable depreciation of the Canadian dollar, probably 25 per cent. at the least.

The whole matter is one that demands the careful investigation and serious consideration of experts in such matters, and very considerable reforms in the present financial policy of the Government. Many people were confidently expecting the new Finance Minister to undertake these reforms.

NEW ISSUE

$4,500,000

The Goodyear Tire & Rubber Company of Canada, Limited

(Incorporated under the Ontario Companies Act)

7% Sinking Fund Cumulative Preferred Stock

Quarterly Dividends payable 1st January, April, July and October. Preferred as to both dividends and assets, callable as a whole or in part at the Company's option at 110 and accrued dividends or any dividend date on thirty days' notice. Provision has been made for the annual retirement, commencing during 1923, of an amount equal to 2½% of the largest amount of Preferred Stock which has been at any one time outstanding.

No bonds may be issued, nor mortgage nor lien given on the fixed assets, without the consent of 75% of the Preferred Shareholders.

Transfer Agents:—Chartered Trust & Executor Co., Toronto; Montreal Trust Co., Montreal.
Registrar:—Standard Bank of Canada, Toronto and Montreal.

Capitalization

(Upon completion of the present financing)

	Authorized	Issued
Preferred Stock	$15,000,000	$4,500,000
Common Stock	15,000,000	5,331,000

(No Bonds)

The following information is summarized from a letter from Mr. C. H. Carlisle, General Manager and Treasurer of the Company:—

1. The Company is the largest manufacturer of tires in Canada. It also manufactures a wide line of mechanical and other rubber goods.

2. The Company's business has had a most remarkable growth as shown by the following figures:—

Year ending Sept. 30—	Sales	Net Earnings	Year ending Sept. 30—	Sales	Net Earnings
1915—	$2,370,914	$188,730	1918—	$ 8,544,557	$ 760,997
1916—	3,446,683	298,413	1919—	12,839,123	1,324,328
1917—	5,509,433	422,928			

(The above figures are after making provision for depreciation and Business Profits Tax, and without any benefit accruing from the present large addition of capital)

Preferred Stock Annual Dividend requirements	$ 315,000
Net Earnings, year ending September 30, 1919	1,324,328

Net earnings are therefore over 4 times the requirements.

3. (a) The Company at all times is to maintain net liquid assets to not less than 115% of the Preferred Stock outstanding.

(b) The Company also agrees to maintain net tangible (including liquid) assets of at least 200% of the Preferred Stock outstanding.

(c) Where owners of stock reside in countries other than Canada, dividends will be paid at par of exchange in such countries, provided the premium involved does not exceed 5%. Where the premium exceeds 5%, the holder will be given the benefit of 5% premium.

4. No dividends will be paid on Common Stock unless all Preferred Stock dividends have been paid and unless the Company has surplus undivided profits equal to at least two years' dividends on the Preferred Stock then outstanding.

The Company's Books have been examined and statements certified by Messrs. Price, Waterhouse & Co., Toronto, etc., and Bowers and Suffern, New York. The Company's Plants have been appraised by the Canadian Appraisal Company, Limited, Toronto, etc., and all legal details relating to the formation of company and issuance of stock have been passed upon by Messrs. Blake, Lash, Anglin & Cassels.

Certificates are on file and may be examined at any of our offices.

$1,500,000 of this issue having been appropriated for exchange with the old preferred shareholders at 97½, we offer the remainder for subscription.

PRICE: $97.50 per share ($100 par value each)

Payable as follows: $10 per share on application, $87.50 per share on January 5th, 1920

Shares carry dividends from January 1st, 1920.

The right is reserved to allot all, none, or a portion only of the amount applied for. In event of partial allotment, the balance of the deposit will be applied towards payment of amount due on allotment. Interim Certificates will be issued pending preparation of definitive certificates.

Applications will be made to list these shares on the Toronto and Montreal Stock Exchanges.

Orders may be telegraphed or telephoned at our expense.

A. E. Ames & Company
Montreal TORONTO Victoria

Dominion Securities Corporation, Ltd.
Montreal TORONTO London, Eng.

Nesbitt, Thomson & Co., Limited
Toronto MONTREAL Hamilton

NEW ISSUE

We Offer:

K. & S. Tire and Rubber Goods Ltd.

7% Sinking Fund, Cumulative, Participating Preferred Stock, carrying a liberal bonus of Common Stock.

Full particulars on request

Campbell, Thompson & Co.

Canada Life Building
TORONTO

WE OFFER 50 SHARES

COCKSHUTT PLOW CO.
LIMITED

7 Per Cent Cumulative Preferred Stock

Cumulative dividends on these shares still unpaid amount to 24%, which the purchaser will eventually receive.
Price: 90 to return 7¾% carrying a bonus of 100% common.

Grant Johnston & Co.
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MONTREAL
TELEPHONE MAIN 5173

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Accountant

For a large Toronto concern. Very good future. Only high grade men considered. Applications confidential. State salary wanted and experience in detail.

Box 15, THE FINANCIAL POST
143-153 University Ave., TORONTO

THE BANK OF TORONTO

ANNUAL MEETING

THE Annual General Meeting of Shareholders of this bank will be held at the Banking House of the institution, corner of King and Bay Streets, Toronto, on Wednesday, the fourteenth day of January next, the chair to be taken at noon.

THOS. F. HOW,
General Manager.

The Bank of Toronto,
Toronto, November 20th, 1919.

The Bank of Nova Scotia

NOTICE is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 28th January next, at Eleven o'clock a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By Order of the Board.

H. A. RICHARDSON,
General Manager.

Halifax, N.S., December 15th, 1919.

CENTRAL CANADA LOAN & SAVINGS COMPANY

QUARTERLY DIVIDEND

Notice is hereby given that a dividend of TWO AND ONE-HALF PER CENT. (2½%) for three months ending December 31st, 1919, at the rate of TEN PER CENT. (10 p.c.) per annum, has been declared upon the Capital Stock of this institution, and the same will be payable at the offices of the Company, Toronto, on and after Friday, the Second day of January, 1920.

The Transfer Books will be closed from the 15th to the 31st of December, both days inclusive.

By order of the Board,

E. R. WOOD,
President

EXPORTS LOWER FOR FIRST EIGHT MONTHS OF YEAR

Shipments of Canadian Products Have Fallen Off Somewhat

IMPORTS GREATER

Trade Figures for November Are Interesting in View of the Present Situation in Exchange

By Special Representative.

OTTAWA.—The preliminary trade figures for November just issued are of a very satisfactory nature, save in one particular, that during the first eight months of the fiscal year the exports of Canadian products have fallen off $31,000,000. On the whole, however, the volume of trade has held up remarkably well, having declined but $17,000,000 on the period already mentioned. The adverse rate of exchange has not yet checked imports, which, in November were over $19,000,000 above those for the same month last year.

Total trade, 8 months, Nov. 30:—	
1918	$1,492,037,028
1919	1,475,362,631
Imports to November, 8 months:—	
1918	$ 633,464,075
1919	636,389,157
Exports, Canadian products:—	
1918	$ 839,300,955
1919	808,303,570
Exports, foreign products:—	
1918	$ 19,272,008
1919	30,669,904

From this it is evident that the importations of goods from foreign countries which have been held in customs and re-exported, have shown quite a notable increase since April 1.

During November the imports for consumption were $19,400,000 over those for November, 1918, the figures being $92,718,270 and $73,390,048 respectively. For the eight months the exports of domestic produce were but $250,000 over those for November 1919. On the grand total of trade for last month there was an increase of $18,200,000 over November 1918, the figures being $215,714,257 and $197,543,153.

Of the imports for November, $31,680,357 entered duty free, while $61,037,911 paid duty. The increase in the dutiable goods was a little over $20,000,000 above the same month last year. The duty collected was $16,012,510 in November 1919, and $12,342,202 for November 1918.

The total exports for November last were $122,995,987, as compared with $124,153,105 for the same month last year. The exports of Canadian produce were $119,413,661 for the last month and $119,161,003 for November 1918. The foreign exports were $3,582,326 and $4,992,102 respectively.

Exports of Food Products

There was an increase of $17,500,000 in the exports of vegetable and food products as compared with November last year. Animals and their products also showed an increase of $7,000,000 for these respective periods. On the other hand, wood, wood products, paper, etc., exports were $19,118,424 last month and $13,090,363 in November 1918.

The exports for the eight months enable one to note the effect of peace on the export trade of the country. For the first eight months of the last fiscal year the shipments of domestic chemicals and chemical products amounted to $40,846,445, whereas for the same period this year they dropped to $14,571,215. Ores, metals and metal manufactures other than iron and steel dropped from $53,835,424 to $32,528,407. Miscellaneous exports dropped from $211,222,780 to $45,964,158. Under this heading are included cartridges and munitions generally.

On the other hand the exports of food increased from $184,126,699 to $255,021,870, while those of agricultural products other than foods went from $15,284,199 to $20,799,227; animals and their products also show an increase from $145,332,590 to $212,862,201. Iron and steel and manufactures of the same increased from $46,397,202 to $53,281,156. Exports of wood, wood products and paper show a gain of about $32,000,000 over the first eight months of 1918.

SOUTHERN CANADA POWER

Increased Profits Shown in the Annual Report

MONTREAL. — Southern Canada Power Company in its annual report for the year ending September 30 last, shows gross earnings for itself and subsidiaries of $566,091, as compared with $475,009 one year ago, and profits of $263,293, compared with $210,517 in 1918. The surplus for the year is $58,064, compared with $48,157 one year ago. Amount available for preferred dividends was 20 per cent. compared with 18 per cent. one year ago. The company increased its customers from 8,000 to 9,000 during the year.

AN UPHEAVAL AT OTTAWA AVERTED BY SIR ROBERT

Continued from page 1

his colleagues to unite upon a successor from among themselves.

In the first place, the aggressive element in the Unionist following, which has been calling for reconstruction and the creating of a permanent organization, is Conservative. It would not follow any other leader than one of pronounced Conservative leanings. For this reason, men such as Mr. Calder, or Mr. Rowell, were out of the question, insofar as the leadership was concerned. This element would have followed Sir Thomas White, but really wanted Mr. Meighen, and had things well lined up for him. Naturally, the Liberals in the Cabinet, notably Messrs. Calder, Rowell, and Maclean, would not take kindly to the thought of following an old-time Conservative, so if Sir Robert Borden had adhered to his original intention, it is quite probable that these men would have had to go too.

Course Saves "Union"

There is no doubt that all these considerations were placed before Sir Robert, and they were just the kind to make a strong appeal to him. For the Government his going would be disastrous, and those best acquainted with the situation knew it. There is not the least vestige of organization in the Unionist following. Whether it will come now or not remains to be seen.

To the substantial business interests of the country the announced retirement of Sir Robert was as much of a surprise as it was to the politicians. They were dumbfounded; but they soon got busy and represented to him that by all means he should hang on, if he possibly could. The business interests generally, while not satisfied with every feature of the Government's following, notably the taking over of the Grand Trunk, was nevertheless well satisfied with its course in general. It seemed to ensure stability and was not inclined to go to extremes. But when there was a possibility of Sir Robert suddenly going out, and no certainty as to who was to succeed him, or that the person selected as leader could command a majority in the House, or in the country—the business interests became alarmed. It was represented that even if Sir Robert really had to retire in the near future, no precipitate action should be taken; but, that on the other hand, opportunity should be given to arrange matters so that the Government's following and the public in general would have a good idea of what would happen. There is reason to think that Sir Robert's early retirement would have been more felt in a political than in a business way. The tariff hardly seems to be in as much danger as some people think. Besides, the leading industries are in such good shape to-day that a change of Government is unlikely to affect them as much as it would have done a few years ago. Of course, the dangers of a period of uncertainty are not to be minimized.

An Organization Wanted

Through Sir Robert's decision to remain at his post for the present, his friends have a chance to clear the situation, and to perpetuate the Unionist movement. What progress they can make remains to be seen. In the Government's following there is a young element that demands more aggressive action, and that wants a permanent organization set up without delay. Believing that they have it in their power to compel action, they do not seem to be inclined to defer a very great deal to the opinion of some of those in the Government, who were their erstwhile opponents. How far these elements will go only time can tell.

Among the Government's following in the House, Mr. Meighen was strongly favored for the leadership; but in the Cabinet he did not have as strong a following. Had Sir Robert retired and the choice of a successor been left to the caucus, Mr. Meighen would probably have won. But of the political situation here it is the riskiest thing possible to make predictions; for even when a thing is done, and apparently settled, no one can tell when it may be undone. In speculating on developments, forces outside Parliament must be taken seriously into account, for beyond question they had something to do with altering Sir Robert's decision.
—W.C.

DULUTH-SUPERIOR

For the first week of December gross earnings of the Duluth-Superior Traction Company amounted to $39,437, as compared with $31,770 for the corresponding period in 1918, an increase of $7,667 or 24.1 per cent. For the year to date the earnings amount to $1,789,259, a gain of $248,204 or 16.1 per cent.

DIVIDENDS DECLARED

The Toronto Mortgage Company

QUARTERLY DIVIDEND

NOTICE is hereby given that a Dividend of Two per cent., being at the rate of Eight per cent. per annum upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, together with a Bonus of One per cent., and that the same will be payable on and after

1st January, 1920,

to shareholders of record on the books of the Company at the close of business on 15th inst.

By Order of the Board.

WALTER GILLESPIE,
Manager.

Toronto, 4th December, 1919.

The Standard Trusts Company

DIVIDEND NO. 31.

NOTICE is hereby given that a Dividend at the rate of 9% per annum on the paid-up Capital Stock of the Standard Trusts Company has been declared for the half-year ending Dec. 31st, 1919, and that the same will be payable at the Company's offices in Winnipeg on and after January 2nd, 1920.

The stock transfer books will be closed from the 16th to 31st of December, both days inclusive.

By Order of the Board.

WILLIAM HARVEY,
Managing Director.

Winnipeg, December 3rd, 1919.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on Thursday, the 8th day of January, 1920, at 11 o'clock, a.m.

C. E. NEILL,
General Manager

Montreal, December 1, 1919.

The Bank of Nova Scotia

DIVIDEND NO. 200

NOTICE is hereby given that a Dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending December 31st, and that the same will be payable on and after Friday, the second day of January next, at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board.

H. A. RICHARDSON,
General Manager.

Halifax, N.S., November 14th, 1919.

THE OGILVIE FLOUR MILLS COMPANY, LIMITED

DIVIDEND NOTICE.

NOTICE is hereby given that a quarterly dividend of three per cent. has been declared on the Common Stock of the Ogilvie Flour Mills Company, Limited, payable Friday, the second day of January, 1920, to Shareholders of record, at the close of business Monday, the twenty-second day of December, 1919.

By Order of the Board.

G. A. MORRIS,
Secretary.

Montreal, December 9th, 1919.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarter per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st DECEMBER, 1919, payable JANUARY 15th, 1920, to shareholders of record DECEMBER 31st, 1919.

By Order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 15th December, 1919.

WESTERN CANADA FLOUR

The Western Canada Flour Mills report a very fair business, the bulk of which is being sold on domestic account. There is some uncertainty as to available supplies of wheat, and for that reason the future is somewhat uncertain, but up to the present wheat has always been available, though the mills are running at a considerably restricted capacity.

MAPLE LEAF MILLING

There was little movement in either common or preferred stock of the Maple Leaf Milling Company this week, or for that matter for some weeks past. The sales of the week, which were of a very limited nature, showed a decline of four points from the previous week's high, an even 200 being the selling figure for the week. The preferred was, if anything, slightly stronger, ranging from 102¾ to 103.

CANADIAN LOCOMOTIVE

The Canadian Locomotive Company has increased the dividend on its common stock from 6 to 7 per cent., placing it on the same annual basis as the preferred. The directors announce a quarterly distribution of 1¾ per cent. on both securities, each of them payable Jan. 2 to shareholders of record Dec. 20.

The dividend on the common at the rate of 6 per cent. per annum was declared in 1918, in 1917 3 per cent. having been paid. For several years prior to 1917 no dividend was paid on the common.

THE SHAWINIGAN WATER & POWER COMPANY

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the Common Stock of this Company for the quarter ending December 31st, 1919, payable January 10th, 1920, to shareholders of record December 26th, 1919.

By order of the Board.

JAMES WILSON,
Secretary.

Montreal, December 9, 1919.

Provincial Paper Mills Co., Limited

NOTICE IS HEREBY GIVEN that Dividends of one and three-quarters per cent. (1¾%) on the Preferred Stock, and one and one-half per cent. (1½%) on the Common Stock of the PROVINCIAL PAPER MILLS COMPANY, LIMITED, have been declared payable, January 2nd, 1920, to shareholders of record at the close of business December 15th, 1919.

S. F. DUNCAN,
Secretary.

Toronto, December 13th, 1919.

Canada Cement Co., Limited

ORDINARY SHAREHOLDERS

DIVIDEND NO. 15

NOTICE is hereby given that a dividend of 1½% for the three months ending December 31st, 1919, being at the rate of 6% per annum on the paid-up Ordinary Stock of this Company, has been declared, and that the same will be paid on the 16th day of January next, to Ordinary Shareholders of record at the close of business, December 31st, 1919.

H. L. DOBLE,
Secretary.

Montreal, December 15th, 1919.

The Real Estate Loan Co. of Canada, Limited

DIVIDEND NO. 66.

NOTICE is hereby given that a Dividend at the rate of three and one-half per cent. for the half year ending 31st inst. has been declared upon the Capital Stock of the Company and that the same will be payable at the offices of the Company in Toronto on and after 2nd January, 1920, to Shareholders of record of 18th December inst.

By Order of the Board.

E. L. MORTON,
Manager.

Toronto, 11th December, 1919.

Dominion Canners, Limited

DIVIDEND NOTICE

PREFERRED STOCK

NOTICE is hereby given that the quarterly dividend of 1¾ per cent. has been declared on the Preferred Stock of the Company.

The above dividend is payable on January 2nd next to Shareholders of record at the close of business on Dec. 20th next.

By Order of the Board.

W. R. DRYNAN,
Secretary-Treasurer.

Hamilton, Dec. 12th, 1919.

NIPISSING MINES COMPANY, LTD.

165 Broadway, New York, Dec. 15, 1919.

The Board of Directors has to-day declared a Regular Quarterly Dividend of FIVE PER CENT., and FIVE PER CENT. extra, payable January 20, 1920, to shareholders of record December 31, 1919. Transfer books close December 31, 1919, and reopen January 19, 1920.

P. C. PFEIFFER, Treasurer.

The Steel Company of Canada Limited

ORDINARY DIVIDEND NO. 12

NOTICE is hereby given that a dividend of one and three-quarters per cent. has been declared for the quarter ending December 31st, 1919, together with a distribution of three-quarters of one per cent. on the issued and fully paid Ordinary shares of the Company, making a total dividend of seven per cent. on the Ordinary shares for the year ending December 31st, 1919.

PREFERRED DIVIDEND NO. 34

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference shares of the Company has been declared for the quarter ending December 31st, 1919.

The above dividends and distribution are payable February 2nd, 1920, to shareholders of record at close of business, January 10th, 1920.

By order of the Board,

H. H. CHAMP, Treasurer.

Hamilton, Ontario, Dec. 11, 1919.

The Canadian Crocker-Wheeler Co., Limited

DIVIDEND NOTICE.

THE Directors of The Canadian Crocker-Wheeler Company, have declared a One and Three-quarters per cent. (1¾%) dividend on the preferred stock of the Company for the three months ending December 31st, 1919, to shareholders of record December 21st, 1919. Also a dividend of One and Three-quarters per cent. (1¾%) on the common stock of the Company for the three months ending December 31st, 1919, to shareholders of record December 21st, 1919.

The stock books will be closed from the 21st to the 31st of December both days inclusive.

Checks will be mailed to shareholders on December 31st, 1919.

By Order of the Board.

H. C. HOWELL,
For Secretary-Treasurer.

St. Catharines, December 5th, 1919.

The Temiskaming Mining Company, Limited

(No Personal Liability)

DIVIDEND No. 25

NOTICE is hereby given that a dividend of 4 per cent. (4%) on the issued capital stock of the Company, will be paid on the 31st day of January, 1920, to shareholders of record at the close of business on December 31st, 1919.

By order of the Board.

M. P. VAN DER VOORT,
Secretary.

Dated at Toronto, Dec. 12th, 1919.

Canadian Cottons Limited

NOTICE is hereby given that a quarterly dividend of one and a half per cent. (1½%) has been declared on the Preferred Shares of this Company, payable the 4th day of January, 1920, to Shareholders of record the 26th December.

Also that a quarterly dividend of one and three-quarters per cent. (1¾%) has been declared on the Common Shares of this Company, payable the 4th day of January, 1920, to Shareholders of record the 26th December.

By Order of the Board.

A. BRUCE,
Secretary-Treasurer.

Montreal, December 16th, 1919.

La Banque Nationale

ON and after Monday, the 2nd day of February next, this Bank will pay to its shareholders a dividend of two and a half per cent. (being at the rate of ten per cent. per annum) upon its paid-up capital, for the quarter ending on the 31st January next.

This dividend will be paid according to the list of shareholders of record on the 15th January next.

By order of the Board of Directors,

N. LAVOIE,
General Manager.

Quebec, December 16th, 1919.

Woods Manufacturing Co., Limited

DIVIDEND NOTICE

THE regular Quarterly Dividend of One and Three-quarters per cent. (1¾%) on the **PREFERRED STOCK** of **WOODS MANUFACTURNG CO., LIMITED**, for the Quarter ending December 31st, has been declared, payable January 2nd, 1920, to shareholders of record Deember 20th, 1919.

By Order of the Board,

JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, December 12th, 1919.

Ames Holden McCready Limited

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the Preferred Shares of the Capital Stock of Ames-Holden-McCready, Limited, has been declared, payable January 2nd, 1920, to shareholders of record of December 19th, 1919.

By order of the Board.

S. J. LeHURAY,
Secretary.

Montreal, December 12th, 1919.

Canadian Woollens Limited

PREFERENCE STOCK DIVIDEND NO. 2.

NOTICE is hereby give that a quarterly dividend of one and three-quarters per cent. (1¾%) has been declared on the Preferred Stock of Canadian Woollens, Limited, for the quarter ending the 31st day of December, 1919, payable Friday, the 2nd day of January, 1920, to shareholders of record at the close of business, Saturday, the 20th day of December, 1919.

By Order of the Board.

WILLIAM TINKER,
Secretary.

Peterborough, Dec. 15th, 1919.

Laurentide Company Limited

Dividend Notice

NOTICE is hereby given that a dividend at the rate of three per cent. (3%) has this day been declared upon the Capital Stock of this Company, for the quarter ending December 31st, 1919, payable on January 2nd, 1920, to Shareholders of Record at the close of business on December 23rd, 1919.

By order of the Board of Directors.

W. F. ROBINSON,
Secretary.

Montreal.